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Berisha on Deteriorating Situation in Kosovo

AU2412184795 Munich SUEDDEUTSCHE ZEITUNG in German 23-26 Dec 95 p 11

[Interview with Albanian President Sali Berisha by Jens Schneider; place and date not given: "Kosovo Is Now the Biggest Problem"]

[FBIS Translated Text] [Schneider] Especially in the field of economy, the war in the former Yugoslavia has also greatly harmed all Balkan states that were not directly involved—also Albania. What do you expect after the Dayton agreement?

[Berisha] The Dayton agreement will change the political climate: away from war, toward peace. The whole region will no longer be dominated by destruction, but by reconstruction—and that is good for foreign investors. Moreover, Dayton will be the motor to solve other important questions, for example, the Kosovo problem.

[Schneider] The topic of Kosovo was left out in Dayton. What must be done now?

[Berisha] Before the war in Bosnia, Kosovo was the biggest problem in the former Yugoslavia and now it is again the biggest problem. We have to deal very carefully with it: Albania rejects a change of borders by force and the leadership of the Kosovo Albanians wants a peaceful, democratic solution. If these principles are taken into account, it should be possible to find a way that guarantees peace and stability.

[Schneider] What solution would you advocate?

[Berisha] It should not be less than what the Kosovo Albanians had in 1974, that is, autonomy.

[Schneider] Do you have contact with the leader of the Kosovo Albanians, Ibrahim Rugova?

[Berisha] The contact is close, I think that this man deserves a lot of respect because he always works for a peaceful solution. He avoided dragging the Albanians in Kosovo into a tragic conflict. However, the situation there will further deteriorate if something is not done soon. And a conflict there would drag several countries into a war. However, I think that one knows that in the United States and elsewhere.

[Schneider] What road would you propose?

[Berisha] First of all, bilateral talks between the two sides should be held with a neutral mediator.

[Schneider] There is also an Albanian minority in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. Some of them say that they are oppressed. What is your government's attitude toward it?

[Berisha] We want to continue the good-neighborly relations and friendship with Macedonia, but Albania will insist on the observation of the human rights of the Albanians there. It is also in Macedonia's interest to involve the Albanians more in the public life of the country. Better training for the Albanians there is also important for Macedonia. Without doubt, progress has to be made regarding the rights of the Albanians in Macedonia. However, progress is already being made, the Macedonian Government is—for example, regarding the Albanian university—tolerant.

Berisha's Stand 'Inexcusable'

AU2512213095 Tirana REPUBLIKA in Albanian 21 Dec 95 p 4

[Editorial: "The Albanians' Political Will in Kosova Must Be Respected"]

[FBIS Translated Text] President Berisha's visit to Germany is doubtless of major economic and political importance. Bearing in mind Germany's growing role in the EU as the leader of processes of integration in the continent, Germany's attitude is of vital importance not only to our country, but to our entire nation. German economic support, by giving extensive breathing space to the reforms that have been started, regardless of their shortcomings, also significantly reduces the chances of the former communists' returning to power. German support for Albania's integration in European structures must also be viewed in this light. President Berisha's efforts to harness the power of the German locomotive in these directions must therefore be unreservedly welcomed, although it will only be possible to gauge their success when they produce practical results. However, in connection with this visit, the president's stand over the Kosova issue appears to us inexcusable. According to official statements, in his talks with his German counterpart Herzog, Chancellor Kohl, and other German political personalities, Berisha expressed the official Albanian stand on "not changing borders by violence" and reduced a settlement of the Kosova issue merely to the narrow framework of respect for human rights. In brief, such an attitude adds grist to the mill of those for whom "Kosova is Serbia's internal affair." Such a stand by President Berisha strikes us as even more unreasonable if we remember that Germany is the country that has most supported the cause of the Albanians of Kosova. Some may claim that nobody supports the detachment of Kosova from Yugoslavia or Serbia, but nobody is obliging us not to express or defend our options that embody the aspirations of the Albanian nation for the cause of Kosova. It is clear to everybody that we alone are not in a position to obtain a just solution for Kosova, but how then will we be able to secure the support of

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others? Not, of course, merely by accepting what others put in front of us.

'Clash' Over NATO Reported at Socialist Aktiv

AU2512205195 Tirana RILINDJA DEMOKRATIKE in Albanian 23 Dec 95 p 2

[Article by Edi Paloka: "NATO—One of the Reasons for Clashes at the Socialist Party Aktiv"]

[FBIS Translated Text] The attitude toward NATO, also defining the attitude toward the West, began to be debated by Meta and Zeneli, but rapidly developed into a clash between two groups at the Socialist Party's [PS] aktiv yesterday. "Amazingly," the young Meta was the most aggressive in opposing Zeneli's idea of introducing NATO membership into the PS's electoral manifesto. One member of the aktiv tried to portray the debate between the former chairman of the PS's Foreign Commission and its present chairman as a personal issue, but the fact that the discussion spread very fast to now-familiar groups in the body of the hall shows that Meta was simply playing the new part assigned to him by Ruci and others. In any event, Zeneli did not remain alone, and strong voices arose from other participants, especially Tefik Ajazi, in support of Zeneli's proposal to include application for NATO membership in the manifesto. For the first time, the Ruci-Meta-Pellumbi group felt in a tight spot when confronted by the reformers, despite the measures they had taken to gag them. It was this strong reaction that obliged Meta and Ruci to withdraw later, and to propose that the manifesto should mention cooperation with NATO, though not in any way allowing NATO membership to be explicitly included. It is not known how the PS leaders will now justify themselves, following their desperate denials of the charges raised against them that they are against NATO and the West. It seems that the East wind has totally blown away their reason over this matter. Such an attitude toward NATO is also an attitude to the West, and is the truest line of demarcation today between the West and the reinstalled communists in Russia or other countries of the East. Thus the PS clearly defines its path, and goes back to the East when Albania needs to move toward the West.

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Meciar Gives Weekly Radio Interview

LD2212230695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1738 GMT 22 Dec 95

[Friday interview with Slovak Prime Minister Vladimir Meciar by Martin Dobos; in Prague; date not given—recorded]

[FBIS Translated Excerpt] [Dobos] [Passage omitted] Parliament has postponed the vote to ratify the treaty on good-neighborliness and friendly cooperation between Slovakia and Hungary. According to some reports, the inclusion in the treaty of Recommendation 1201 by the Parliamentary Assembly of the Council of Europe was a mistake, your mistake. What is your view on the postponement of the vote and on the accusations that by signing the treaty you have allegedly underestimated the aforementioned recommendation?

[Meciar] By taking time to present its position or interpretation of the content of the treaty, the National Council has merely responded to the debate within the ruling or parliamentary majority, and within the opposition. The aim was to prevent any doubts on the territory of the Slovak Republic concerning the implementation and interpretation of the treaty.

Of course, when signing the treaty, I am also personally responsible for the whole content of the treaty, and the government is responsible for it when it approves it.

The interpretation of Recommendation 1201 is unacceptable in the form in which it is being presented by our opposition. In the treaty there is not a single stipulation concerning collective rights. We cannot entertain even an assumption of there being anything of that kind contained in the treaty.

Obviously, the inclusion of Recommendation 1201 in the talks was very (?complicated), because except for this document the Hungarian side made concessions on all other points. The Slovak side was faced with the possibility of achieving all the positive points which, under other circumstances, would probably never be repeated again, at the cost of restricting Recommendation 1201 in such a way as to do away with the risks resulting from it.

Therefore, it was decided during the talks to adopt an approach relying on several key points which would prevent the possibility of a dual interpretation or implementation that would contradict the content of the treaty.

Any law of the Slovak Republic can only be adopted when approved by the legislative body. There can be no pressures from abroad either in favor of autonomy (?or anything else). Moreover, this standard [as heard] has not been accepted by Europe.

An autonomy can be established in two ways: by law or by the institutionalization of the status quo. Those who did not like the situation or the speedy measures taken by the government coalition after the elections did not like it because these measures have put an end to the de facto emerging autonomy. This was also the reason behind measures dealing with personnel bonds in offices and the interlinking of these offices with the government and parliament.

This energetic beginning of our action was and still is being challenged, although nobody has any doubts that it has brought about positive results.

In other words, whichever way I read the treaty, I can see no guarantees of collective rights and I can find nothing that will give any grounds in the future either to the Hungarian or to any other minority for trying to apply collective rights.

[Dobos] In a television program—I think it was last Tuesday—you said that ratification of the treaty will probably be delayed. Can you tell us now whether you think that the treaty will finally be ratified?

[Meciar] There is no doubt that it will be ratified. This is an issue merely of what course of action will be taken; that is the issue of the rules of interpretation and the position taken by the National Council of the Slovak Republic on the ratification of the treaty, the issue of unifying views within the government coalition and within the deputies' clubs. The treaty will be ratified by the National Council; nobody doubts that. It would be awkward for the government coalition if the treaty is in fact ratified by the opposition.

[Dobos] In your view, what will be the impact of delaying the ratification of the Slovak-Hungarian treaty on Slovak-Hungarian relations?

[Meciar] It is in our interest to have good relations, to clear them of tension, suspicion, uncertainty, and thus the damage we are causing to each others' interests. The treaty creates scope for good relations.

One of the reasons why the National Council has suspended its deliberations about the treaty and postponed its vote on it, is the Hungarian Government's attitude toward our State Language Law, an attitude which is rather difficult to understand. Without being aware of the law's content and without knowing our internal democratic mechanisms, they have embarked on foreign policy initiatives which, in return, have provoked conflicting views within our government coaliton on

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whether to interprete these initiatives by the Hungarian Government as indirect pressure on our parliament not to ratify the treaty. I do not accept this line of argument, although I can understand the deputies' position on this matter.

I think that our relations are improving and that this trend is gathering strength. [passage omitted]

[Dobos] Mr. Prime Minister, how do you think privatization should be carried out in order to give our citizens the feeling that they know what is going on and are not being lied to?

[Meciar] Privatization is being carried out according to certain aims. The first aim is to solve the problems of our economy, to make the Slovak economy efficient. The second aim is to create capital reserves [words indistinct]. The third is to use the privatization process to create a social strata of businessmen in the Slovak Republic. The fourth is to avoid excluding Slovak citizens from this process and, in fact, to offer them the opportunity to play an active role in it. [passage omitted]

I am in favor of completing the entire privatization process as quickly as possible. Once it is over we expect the level of internal political tension to fall considerably. We would very much like to be able to announce at the end of June 1996 that the process has been completed.

[Dobos] As this is your last regular Friday interview for Slovak radio this year, as is customary, I would like to ask you to assess the year which is about to end. I know you have already done so elsewhere but could you briefly tell us about your successes and failings this year?

[Meciar] I think that 1995 has been good for Slovakia. It was a year of reviving and improving our economic and social life. It was a year of progress gradually reaching all spheres. It was a year in which we managed to stabilize not only our economic processes but also to place our country among other nations of the world and to provide assurances about the functioning and purpose of our state.

On 1 February 1995 we were accepted as an associate member of the European Union and we applied to join the European Union. We are meeting the conditions of the Partnership for Peace. In 1996, Slovakia will chair the Central European Free Trade Association. [passage omitted]

[Dobos] As far as the second part of my question is concerned, prime minister, what were your failings this year if you look back on your original plans?

[Meciar] There are not many, really. They more or less concern my expectation that we would manage to solve several internal political matters and that the situation in our country would be calmer, that the constitutional bodies would stop fighting each other. I expected the positive results achieved by Slovakia to lead to greater tolerance. [passage omitted]

By believing in ourselves, in our chances and mission in this space we can achieve unity in defense of the fundamental state and national interests shared by all our citizens regardless of their ethnic origin, religion, sex, and wealth—and we have still not managed to achieve this. It is probably going to be a long-term process. [passage omitted]

Weiss Views Meciar's Role in Treaty Issue

AU2212172895 Bratislava PRAVDA in Slovak 20 Dec 95 p 10

[Article by Peter Weiss, chairman of the Slovak Party of the Democratic Left: "Coalition Politics Slovak Style"]

[FBIS Translated Text] When the Treaty on Good Neighborliness and Friendly Cooperation Between the Slovak Republic and the Hungarian Republic was signed in the full glare of publicity in Paris on 19 March 1995 as part of the Stability Pact and the smiling faces of three prime ministers—Balladur, Meciar, and Horn—appeared on television screens, an ecstatic campaign was launched regarding the "major personal international achievement of the Slovak prime minister."

V. Meciar signed the treaty on behalf of the entire government and, therefore, also on behalf of his coalition partners. The strongest attacks on the treaty began on their side. The Slovak National Party [SNS] chairman described the treaty's signing as an inappropriate decision by the Slovak Government. The Hungarian Parliament ratified the treaty, and the glory of its signing was replaced not only by doubts about the contents of its 15th article, but also by harsh attacks from among the coalition's own ranks. SNS Deputy Chairman J. Sedovic topped the irreconcilability by publishing 10 commandments against the treaty. A revolt began in the Movement for a Democratic Slovakia [HZDS] Deputies' Club against its own party chairman. Artillery support was also provided on public-service Televizne noviny [Television News], where, prior to the beginning of the National Council of the Slovak Republic session, much scope was given to extracts from the statements issued by the Congress of Slovak Intelligentsia Committee and the Permanent Conference of the Slovak Intelligentsia Committee, which are ranting for postponement of ratification. In a leaflet from the HZDS deputies' workshop,

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which has appeared on the parliamentary benches, the first sentences sound like a severe indictment of the prime minister for something that could also be suggestive of treason: "The draft treaty is not formulated on the principle of equality and reciprocity... The treaty lays down for us... a very problematic even unhappy future." They depict the possible consequences of the treaty's ratification in exclusively dark colors: "By ratifying the treaty, a signal would be sent to the world that the Slovak Government and parliament have agreed voluntarily and willfully (at variance with the judgment of the people) to gross interference in our state sovereignty, conceivably to southern Slovakia's breaking away to Hungary." Very grave accusations against the man who dared to sign such a treaty.

A politically rational person would expect those ruling coalition deputies who share this opinion—and take themselves seriously—to demand a parliamentary vote on expressing no confidence in the irresponsible prime minister who, by his signature, initiated such a catastrophic scenario. After all, no confidence has already been expressed in the Slovak parliament this year for things that, compared with these accusations, are rather petty. Or, at least, that criticism would be expressed at a HZDS Republican Board session about where the prime minister has landed Slovakia with his signature. Nothing of the sort. The prime minister is not reacting to the indiscriminate attacks on him made through the radical rejection of the treaty's ratification. There has been no criticism from him either of his coalition partner, which has a different view on a fundamental issue, a politically extraordinarily important issue, or of the disobedient deputies who are circulating in parliament a leaflet against the treaty signed by him. On the contrary, in his regular Friday interview on Slovak Radio, despite all of the attacks from among his own ranks, he said: "If I did not believe in the strength of the coalition, that the treaty will be ratified, I would turn to the opposition for help. But, I am not going to; I believe that the treaty will be ratified."

What lies behind this paradoxical statement? First, the fact that the coalition is not united by a common concept for the long-term national-state interest, by its joint policy statement, but—first and foremost—by privatization games. Second, the prime minister definitely does not want to distance himself from the nationalists in the SNS and in his own movement. Not even from those who are calling openly for the rehabilitation of J. Tiso and the Ludakist regime and are unable to formulate any policy other than a policy of whipping up and exaggerating fears about the renewal of "Greater Hungary." In other words, prior to the up-and-coming year of modesty, the Hungarian card has to be kept in the pack and those who like to play it kept ready. Therefore, he tolerates the charges from among his own ranks, charges that verge on accusations of treason. Tolerance directly contradicting his intolerance of the opposition's opinions.

Third, the prime minister is pretending that he does not need the opposition, but he does need it. Not only for the ratification, but also for the process that will begin after ratification. For the treaty is only the start of a long process. Following ratification, under a broader political consensus, it could be a decisive step on the road toward the European integrative structures. If the views of the extreme nationalists in the SNS and HZDS, on the one hand, and those of the Hungarian Coalition, on the other, prevail and are promoted, the treaty—ratified or unratified—could be the start of a Serbian path.

The fourth point I would like to mention is political will. There was a lack of willingness on the part of the prime minister for political talks on drafting the treaty's text; on a joint course of action in foreign policy before it was signed; on preparing the ratification; and on the steps following the treaty's possible ratification. The issue is not so much that, as a consequence of this course of action, the prime minister himself is responsible for the text of the treaty, for the presence of the well-known Council of Europe Recommendation No. 1201 in Article 15 of the treaty, and for the current situation prior to ratification. The issue involves, first and foremost, the fact that, in such an important matter as the treaty on good neighborliness and friendly cooperation between Slovakia and Hungary, an individualistic political style was asserted. A style without dialogue, yet full of ostentation replaced in no time by excuses to our partners from the Hungarian Republic and by putting pressure on and blackmailing the opposition, which is to manifest responsibility instead of those irresponsible in the SNS and HZDS. They want to continue to formulate a policy for whipping up fear and reviving prejudices. A policy that is grist to the mill of the extremists of the M. Duray type on the other side. This style of politics, which rejects dialogue, is not a good sign either for Slovakia or Europe.

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Compliance With NATO Airfield Requirements

LD2312194495 Budapest Kossuth Radio Network in Hungarian 1700 GMT 23 Dec 95

[FBIS Translated Text] The commander [Janos Deak] of the Hungarian Army considers the protection of the installations accommodating American NATO troops to be satisfactory. He admitted, however, that although NATO airfields are surrounded by a fence in other European countries, the Hungarian ones—for example, the one in Taszar—are not. Janos Deak said that protection of the establishments used jointly by Hungarian and U.S. troops can be considered as temporary. The Hungarian military leadership is of the view, however, that it will comply with NATO requirements as of January.

MSZP Official on Horn's Party, State Position

96CH0012B Budapest DEMOKRATA 23 Nov 95 pp 34-37

[Interview with Gyorgy Janosi, national deputy chairman of the Hungarian Socialist Party, by Karoly Banhida; place and date not given: "Hungry Wolves, Silent Lambs"]

[FBIS Translated Text] *In the interview he gave our paper, Gyorgy Janosi, MSZP [Hungarian Socialist Party] national deputy chairman, said: "The issue of ending or retaining the practice of holding the prime-ministership and national party-chairmanship in plurality has been formulated in a most principled manner. In my opinion, this debate has been a euphemistic articulation of the idea that we are dissatisfied with Gyula Horn and consider him unsuitable for something. We expressed this subtly, obliquely and politely, wrapped in this cloak. But if we reflect on this rationally, we find both advantages and drawbacks. I personally am in favor of retaining the plurality of the two positions."*

[Banhidai] Can the increasingly acrimonious debates within the Socialist Party be traced back to the coalition pact with the SZDSZ [Alliance of Free Democrats]?

[Janosi] The conclusion to attribute to the coalition's existence all the conflicts that exist within the party would be too summary. I am more inclined to interpret these debates as indications of a widespread view within the party that the government, the coalition, the parliamentary Socialist Party, and the national party are not functioning the way they can be expected to function. The government's mistakes and omissions, and its resulting problems and declining approval rating, have intensified the internal conflicts. Admittedly, there were also times when the debates focused on conflicts within the coalition, but when the party executive settled these very sharp differences the tension was transferred into the party. Then the respective attitudes of the various party factions toward the SZDSZ became a question of decisive importance.

[Banhidai] According to some people, the coalition pact has a secret clause—regarding the prime minister's authority to appoint officials, for instance—which bore the seeds of conflict in the MSZP sooner or later.

[Janosi] The coalition pact does not contain any secret clause that has not been made public. However, it is true that in the pact there are provisions seriously hampering the prime minister and placing severe restrictions on him in everyday political practice. Even the most spectacular clashes have stemmed from the SZDSZ's right to veto any Socialist government politician the prime minister wants to appoint. At the same time, the prime minister may not rate or criticize—perhaps even by dismissing—any government official whom the Free Democrats nominated. These are restrictions that cannot be reconciled even with the prime minister's constitutional authority. After all, our constitutional legal system calls for one-man management by the prime minister. He alone must bear responsibility for any and all of his ministers, including the ones belonging to the SZDSZ.

[Banhidai] Enjoying the security that the coalition pact provides, Free Democrats are watching from box seats the internal "drama" that is unfolding within the MSZP. With the support of the SZDSZ-controlled press and of the [electronic] media, moreover, the Free Democrats are helping to make this "drama" as shrill as possible. Is this how you, too, see the situation?

[Janosi] I do not think that the SZDSZ is watching this from box seats. After all, disputes within the coalition are eroding their popularity as well. I would also question that the SZDSZ-controlled press gives the Free Democrats a positional advantage. These are very summary conclusions, extremely difficult to prove. But I am willing to concede that, in the unregulated world of the electronic media, there are no uniform standards for radio and television. Therefore, the subjective political bias of one or another of the radio and television journalists is able to assert itself relatively freely. And if it is true that the Free Democrats had been able to establish better connections with the press during the preceding period, then it is conceivable that the majority of the journalists now in managerial positions possess such subjective bias. Let me give you a concrete example, related specifically to the issue you have mentioned. When the collection of signatures began within the parliamentary MSZP for holding a leadership review even before the party congress, and for the replacement of the parliamentary party's leadership if

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necessary, one of our dailies wrote that, according to unconfirmed reports, Gyorgy Janosi, Sandor Nagy and Peter Kiss were behind this move. Suppose that these individuals had nothing to do with all this, as happens to be the case. But this news report has already put them into the center of a political conflict within the Socialist Party, a conflict that creates a serious problem for these politicians. Since the reports were unconfirmed, one would have expected the paper to contact also the other side.

[Banhidai] To what extent does the conflict between Socialist Party MP's stem from really existing differences between the various political directions?

[Janosi] These political directions are readily palpable, namely, the social-liberal faction, the trade-union school of thought, and the group building firmly on its populist, leftist roots. But these political directions would like to assert themselves in debates within not only the parliamentary party but the national one as well. Let us call a spade a spade. Before the elections and during the election campaign, this party was very united, knew very well what it would like to achieve, and also found the common denominator that was formulated in the party's program. But once the party was in office, the problems and mistakes within the cabinet caused a decline of the party's popularity. We sense daily the limits of society's tolerance, and faction-like ideas have reappeared. Thus the question now is: To what extent will we be able to find at the next two conferences this common denominator that provides the minimum for our further functioning? If that does not happen, internal disputes will continue to mince the party, and that might have unforeseeable consequences.

[Banhidai] Three, or who knows how many, groups could not lead the national party and the parliamentary MSZP. Or could they?

[Janosi] In my opinion, a balance and a common denominator of the different political directions can be found, provided we do not want to clarify the differences through ideological debates.

[Banhidai] Is the solution not individual-specific?

[Janosi] Not really.

[Banhidai] Isn't there a need for a politician who is acceptable to everyone?

[Janosi] Yes, there is. But one must see that the conflicts between the factions were not disputes about the suitability or unsuitability of individuals. Instead, these conflicts manifested themselves in actions, in specific matters. When the time comes for the election or reelection of the leadership, of course, the individual groups can be expected to run different candidates.

[Banhidai] Imre Szekeres, the parliamentary party's leader, said that he had confidence in his comrades' decision. How would you translate that statement into Hungarian?

[Janosi] You should be asking him about that. In my opinion, that sentence could mean an attempt to appeal to his comrades' sense of responsibility. In other words, an attempt to ensure that a review of the parliamentary party's leadership, and the possible election of a new leadership, does not take place during the budget debate or the debate on the media bill.

[Banhidai] Why would it not be possible to discuss personnel matters at the congress in Miskolc, since practically everyone is demanding their discussion?

[Janosi] Mainly because I do not think there should be a coup-like approach to personnel matters. It is important that the leadership be elected under democratic rules of procedure, rather than amidst debates that split the party and might degenerate into personal attacks.

[Banhidai] Does this temporization not mean that those who would replace the leadership by all means still need time to persuade others?

[Janosi] I do not think that the emphasis should be on persuasion. Rather, it should be on allowing the party organizations and the congressional delegates more time for deliberation. I have sat through many a congress and know from experience that emotional factors can strongly influence the decisions.

[Banhidai] What is you opinion of ending the practice of holding the prime-ministership and national party-chairmanship in plurality?

[Janosi] There are many things to consider in conjunction with this question. Up to now, the issue of ending or retaining the practice of holding the prime-ministership and national party-chairmanship in plurality has been formulated in a most principled manner. In my opinion, this debate has been a euphemistic articulation of the idea that we are dissatisfied with Gyula Horn and consider him unsuitable for something. We expressed this subtly, obliquely and politely, wrapped in this cloak. But if we reflect on this rationally, we are able to find both advantages and drawbacks. It is an advantage that a party chairman with a separate scope of responsibilities is able to devote closer attention to the party. The drawback is that the separation of the two positions might inevitably introduce into the system a conflict which, if it became too sharp, could paralyze the normal operation of both the government and the party. When the

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two leaders are unable to work together properly, as this happened in 1989 with Miklos Nemeth and Karoly Grosz. Such a situation could paralyze the government as well as the party. In my opinion, the plurality of the two positions ought to be retained, in accordance with the experience of Europe's social democratic parties. But care must be taken to have in the party executive, next to the party chairman, a person who suitably manages the entire party system.

[Banhidai] In Hungary, the party seems to be demanding too much say in the government's work. What is the practice on this in West Europe?

[Janosi] The practice varies considerably. Essentially, when the party is in power, relations among the party's governing bodies, the cabinet, and the parliamentary party are better regulated. We in the MSZP must also face the fact that our party bylaws have been crafted specifically for a party in opposition. There is no mention in the bylaws of what rules and standards of cooperation should apply when the party is in power. Consequently, the party bylaws have to be amended in any event. In some European countries there is a narrow circle comprising government leaders and the leaders of the national party and of the parliamentary party; the circle meets daily for consultations and thinks through the direction to be followed. This, too, is a possible solution. Such direct forms may be lacking in some countries, but there are stronger compulsions to hold consultations—between the party's governing bodies and the cabinet members delegated by the party, for instance. It will be up to the congress to decide which solution and form of cooperation to choose.

[Banhidai] According to certain conjectures, the scenario has already been written and by February the SZDSZ will have withdrawn from this coalition. What do you say to that?

[Janosi] This is a very interesting question, because there were prognostications already when the coalition was formed that it would survive only until the end of the year. This has been a constant topic ever since, and now there is again growing speculation that the coalition will fall apart once the budget bill has been passed. I think that a divorce is not in the interest of either the MSZP or the SZDSZ.

[Banhidai] And what about the country's interest?

[Janosi] The country's interest at present is that, amidst suitably stable domestic politics, we move toward economic and fiscal stabilization that can serve as the foundation of our medium- and long-term future. There is no other road, because we have lived up everything we could. We must move unavoidably in this direction, and that will be fraught with many tensions and conflicts. We sense daily that we are very close to the limits of society's tolerance. Also for that reason, the survival of this coalition with its secure majority is in the government's interest—and, I believe, to some extent in the country's interest as well.

[Banhidai] Would the coalition's disintegration also bring about Gyula Horn's downfall?

[Janosi] I fervently hope that we cannot speak of the prime minister's downfall. The fact is that the coalition's stability also means the prime minister's stability.

[Banhidai] The unfolding wave of demonstrations contradicts stabilization to some extent. According to some speculations, these demonstrations, too, are directed.

[Janosi] It would be very difficult to prove such conjectures, and it is entirely out of question that statesmen are behind the appeals for trade-union demonstrations. What we should be seeking is a compromise, an agreement, rather than who is behind these demonstrations.

[Banhidai] Will there be some reversion?

[Janosi] Reversion is inconceivable, in my opinion. Naturally, there might be personnel changes, in the party executive as well as in the parliamentary party's leadership. But this party cannot deviate from the political direction it promised to follow before the election, and on which it had agreed at the time of its formation. A shift from the present direction cannot occur. Very many people might attain leadership positions, but this party "checks" its leaders.

[Banhidai] What does this checking mean?

[Janosi] It means functioning as a democratic party. It means thinking through before forums, almost to the limits of vivisection, whether we did something right or wrong. In this party, thank goodness, many people have been harshly criticized who are not moving along the path originally planned, who tend to deviate from it because of the economic squeeze.

[Banhidai] By withdrawing at present, will Sandor Nagy still be able to attain the top leadership position in future? Does he personify the politician who might be able to lead the party and the government even without the SZDSZ?

[Janosi] That is very difficult to predict. Sandor Nagy has proved much in the past, and also since we came to power. I would be reluctant to predict what position he might gain at the congress or in the possible election of the parliamentary party's new leadership. But there is one thing of which I am certain: he will remain an outstanding player in the life of the national party

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and the parliamentary one, a player who will be worth watching. And, in my opinion, many people will be watching him in the coming period.

[Banhidai] Might the debates taking place in the parliamentary party and in the party executive lead to a split in the party?

[Janosi] The solidarity that has evolved within the MSZP since 1989 would be extremely difficult to discard. There may be biased, defamatory debates. But I think that a party split is inconceivable.

[Banhidai] How does Gyorgy Janosi see his future? Will he become prime minister?

[Janosi] I have never had conspicuous ambitions. I think I know what I am not suited for, and where I would be able to help.

[Banhidai] For what are you unsuited?

[Janosi] I am not suited to be floor leader. That requires a politician of the debating type who is quicker with a riposte than I am.

[Banhidai] Then it was not you who initiated the collection of signatures for the parliamentary party leadership's replacement?

[Janosi] That is entirely out of question.

[Banhidai] Do we know who started this drive?

[Janosi] I do not know where it originated from or who started it. When the time comes, I hope they will stand up and be counted, and that they will tell us why they think the parliamentary party needs a new leadership.

[Banhidai] Are you satisfied with the performance of the parliamentary party's leadership?

[Janosi] It could be improved.

[Banhidai] Doesn't it need a change of personnel?

[Janosi] A change of personnel is also conceivable. We need a leadership able to induce cabinet members to cooperate more closely on important matters that can also be classified as political. The point is not that the parliamentary party should direct the cabinet, but that the parliamentary party's opinion should arrive in due time on the cabinet's table; so that it will not turn out later that the parliamentary party has an entirely different opinion on certain matters. In the parliamentary party's leadership it is necessary to reinforce the type of professionalism where the floor leader is surrounded by people who are trained in, and up-to-date on, the economic, social-policy, educational and cultural aspects; who are able to respond immediately, to refute one of Torgyan's tirades with facts and figures, rather than hysterically.

[Banhidai] To our knowledge, Sandor Csintalan said that the tail is wagging the dog. Do you agree with that?

[Janosi] I think it is a waste of effort to keep insulting the SZDSZ. If our roles were reversed, the Socialists would be adopting the same attitude as the SZDSZ is now adopting on how the coalition ought to function. It is entirely another matter that the two parties differ in what they regards as civilized behavior in politic

[Banhidai] Is this what Tamas Suchmann was referring to when he spoke of the "downtown boys"?

[Janosi] That is not what I have in mind. I am thinking of the fact that the SZDSZ, for example, is unable to cite a single instance when the Socialist Party leadership exercised its right, laid down in the coalition pact, to intervene and rate the SZDSZ nominees for government posts. At the same time, the SZDSZ regularly protests against, rates, vetoes and criticizes those individuals whom the MSZP would like to see in certain government posts. This clearly indicates that there are significant differences between the two parties in what they regard as civilized behavior in politics.

[Banhidai] In whose favor?

[Janosi] I hope that is obvious from my answer.

[Banhidai] Will there be a Media Law?

[Janosi] I would feel very disappointed if we were to fail to enact such a law.

[Banhidai] Is Hungary likely to get a female prime minister?

[Janosi] I have never thought about that, but nothing can be ruled out in the long run. Perhaps the country will get a prime minister who is a woman, perhaps she will be young, and it is also conceivable that she might be a blonde. Everything is possible in politics. But more important than such guessing, in my opinion, is to have political stability and to build the future. And that requires the coalition to function stably in the same lineup, under the present prime minister.

[Banhidai] Why don't you break with the SZDSZ, and why are you avoiding collaboration with the nationalist side?

[Janosi] Simply because the programs of the MSZP and SZDSZ are very similar. That is also why this coalition was such an obvious solution. On some points, the opposition parties' ideas incorporated in their programs are very far from the Socialists' thinking. As I have already mentioned, I see no alternative to this coalition.

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[Banhidai] According to Ivan Vitanyi, it would be adventurism for the MSZP to govern alone. Do you share his view?

[Janosi] I think that if the coalition ends for some reason—and that can happen only if the SZDSZ withdraws from it—we will then have to consider how to proceed from there. For if there is no alternative to this coalition, the MSZP would have to choose between two solutions: either it could continue to govern alone, in which case it would be forced to continually gather comments and try to seek agreement, on a daily basis; or it could consider attempting a clean sweep, by advancing the date of the next general election.

[Banhidai] Which option would you support?

[Janosi] Neither one. Because to me the important thing is to have the coalition last through the end of the electoral cycle.

[Banhidai] Many people are of the opinion that several prominent MSZP leaders have already become a burden for the party, and it would be a good thing if they were to retire. Will their failure to do so be an obstacle to finding a solution?

[Janosi] Not at all, because in the very sharp internal debates within the party, these problems have not even surfaced up to now. Thank goodness, this party has not yet sunk to the level of such personal attacks in its debates.

[Banhidai] Are the Hajos conferees on speaking terms with the liberal faction's members?

[Janosi] After Hajos, we experimented with seating the representatives of the various political directions at the same table in Petofi Hall, to see if there is any hope of arriving at a common denominator. Then and there it turned out that this is an extremely difficult task, but not a hopeless one. We will have to travel this difficult road to its very end.

[Box, p 37]

Gyorgy Janosi, sociologist, born 21 January 1954 in Szekszard. Studies: Lajos Kossuth University, public education, 1974-79; Lorand Eotvos University, sociology, 1982-85. Employment: 1979-83, Szekszard Teachers' College, assistant; 1983-88, first assistant; since 1988, docent; 1986-90, department chairman. 1948-89, member of Hungarian Socialist Workers' Party; since 1989, member of MSZP; since 1990, national deputy chairman; remains an MP even at present.

Parliamentary Experts Discuss 1996 Budget

AU2412141795 Budapest MAGYAR NEMZET in Hungarian 21 Dec 95 p 12

[Interview with Tamas Bauer, Tamas Szabo, and Laszlo Puch, members of the Parliamentary Economic Committee, by "faggyas;" place and date not given: "Differing Views on Next Year's Budget—Is the Sacrifice Useful or Unnecessary?"]

[FBIS Translated Text] The National Assembly will hold the final vote on the 1996 budget today. Before the final decision, we interviewed three members of the economic committee on the much debated and heavily amended bill.

The SZDSZ Will Vote For It

[Bauer, Alliance of Free Democrats, SZDSZ] I would like to say that the SZDSZ's parliamentary group will vote in favor of this budget.

[MAGYAR NEMZET] Unlike the law on personal taxation?

[Bauer] Regardless of it. This budget asserts the economic policy direction which is contained in the government program. Two of its characteristics are worth emphasizing. First, this is a stabilization budget. It restricts the expenditure in real value, while the revenue will increase; therefore, it will manage to stop the tendency of increasing the debt which has lasted since 1990. The 1996 budget goes further in improving the balance than what we have managed to achieve this year.

[MAGYAR NEMZET] In addition to this, what is the main good point in the budget?

[Bauer] We have managed to get to the point that the interest burden of the domestic debt will be reduced in real value in 1996, although it steeply increased in 1995. This is due to the fact that we will stop the increase of spending. Naturally, this is very painful for society's majority. Another major characteristic of the 1996 budget is that, in accordance with the SZDSZ's election program and the government program, it opens more scope for accumulation and investments which, of course, can only be done to the detriment of consumption.

[MAGYAR NEMZET] Does the road of economic growth lead through the reduction of domestic consumption in your view?

[Bauer] It does because, otherwise, a growth led by demand and imports would be achieved, which I consider lethal. This would make the Hungarian economy incapable of existing and impossible to finance, which is

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proven by the 1993-94 facts. In contrast to the opposition parties' economic policy ideas, the government parties strive for growth based on financial balance and mainly led by investments and exports, and this is reflected in the budget. This is its main good point and this is the reason the SZDSZ supports it.

[MAGYAR NEMZET] However, in the debates of the past few weeks, precisely the investment and export stimulating elements have been weakened in the bill. To what do you attribute this?

[Bauer] An unfortunate case from 1995 has been repeated because, as a result of the compromises made in the Interest Coordination Council and the strike threats, the above qualities of the budget became weakened.

[MAGYAR NEMZET] In view of this, how well-founded are the main targets of the 1996 budget?

[Bauer] I believe that, as the main targets of the 1995 supplementary budget which was meant to help implement the stabilization program, are being achieved with great accuracy—including the privatization incomes—the 1996 budget is also well founded, realistic, and can be implemented.

[MAGYAR NEMZET] Do you also consider the approximately 20-percent inflation forecast realistic?

[Bauer] I find it completely realistic because this year's bigger inflation is the result of the one-off major devaluation and the introduction of the supplementary customs duty. This will not be repeated next year; in fact, the preannounced pegged devaluation policy cools off the inflation expectations.

The MDF's Objections

[Szabo, Hungarian Democratic Forum, MDF] This budget has no content, it is empty, and it has no guiding direction. For example, our government's last budget made infrastructure and education its special goals, and this also appeared in the expenditure figures. In addition to these two, our third priority was sound growth, which we also made to appear in the budget. How did we achieve this? With modest tax reduction in the entrepreneurial sphere, broadened personal tax base—but not by increasing the tax!—and through regrouping resources to develop education and infrastructure.

[MAGYAR NEMZET] The coalition's main goal with the 1996 budget is to improve the balance. Why does the MDF disagree with this?

[Szabo] Because it wants to achieve this through general and drastic restrictions. This will not bring the expected results. In real terms, this year will see some 13-percent wage reduction, which is astonishing! However, this unprecedented income loss is only accompanied by a minimal improvement in the foreign trade and financial balances. I ask: By how many percentage points should the real incomes decrease to achieve a macroeconomic and financial balance? This way, the solution is a mathematical nonsense. This is the reason that this budget is empty, because it does not give answers to the dilemma of balance and growth, and it does not show any breakout points for the economy or society.

[MAGYAR NEMZET] Is the stabilization program not an answer?

[Szabo] This term does not mean anything to people. They expect to know what employment and earning possibilities they will have, what processes can be expected in the economy, and what the purchasing power of their wages and pensions will be.

[MAGYAR NEMZET] The coalition argues that through restricting consumption, it is possible to give additional resources to accumulation, export-oriented investments, and infrastructure development. To what extent does this budget serve these goals?

[Szabo] The 1996 budget does not bring anything new in this respect. It continues this year's economic policy in every respect: It generally reduces the value of spending, and drastically cuts the domestic incomes! According to the restrictive logic, the capacities and stocks released this way will be exported, and the unspent incomes will be used for savings and investments. However, according to the figures, this has not happened this year. On the contrary: The growth rate of investments, production, and export actually decreased. The only reason the financial balance has improved a little is that consumption and imports have decreased. This road does not lead forward, because this way the 1994 sound growth will turn into recession.

[MAGYAR NEMZET] In your view, why is it impossible to base lasting growth on financial balance?

[Szabo] In my view, the coalition is forfeiting the country's future in the interest of a very short term goal. This is what the content of this budget is, rather than promoting the country's European development and integration. It is impossible to improve competitiveness, or to promote the willingness for enterprise or society's additional efforts by reducing the domestic market, limiting the enterprises' room for maneuver, and centralizing the incomes. Therefore, in my view, this is a budget of unnecessary sacrifices because it will not bring any results either in lastingly improving the balance or in laying the foundation for lasting growth.

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The MSZP on the Compromises

[Puch, Hungarian Socialist Party, MSZP] I am convinced that the budget will pass today's final voting without any problems. It contains all elements that were considered important by the two coalition parties.

[MAGYAR NEMZET] Even the elements of economic stimulation? Commenting on the accepted amendments, Finance Minister Lajos Bokros recently said that the compromises slow down the process of stabilization and weaken the economy's breakout points next year....

[Puch] Bokros is right in saying that the budget has been impaired compared to the original proposal because the resources to be spent on economic development and investments would have been significantly more. However, in the interest of preserving social peace, it was necessary to reallocate some of the expenditure. In my view, all in all, these do not represent such a level as would endanger the basic economic policy goals.

[MAGYAR NEMZET] What orders of magnitude are we talking about?

[Puch] Altogether some 8-10 billion forints have been reallocated from the sources of development to other goals. This is still an acceptable compromise.

[MAGYAR NEMZET] In addition to stabilization and improving the macroeconomic balance, to what extent does the 1996 budget help to improve the economy's competitiveness and increase its performance?

[Puch] The improvement of the financial balance has not fundamentally broken the economic growth which started last year. According to statistical data, the GDP's growth is continuing this year, although at a slower pace. I believe that the favorable effects of investments that were started this year will begin to appear in 1996, and the entrepreneurial sphere's increase of resources, stemming from the balance improvement, will be added to this.

[MAGYAR NEMZET] Will the social tolerance, which is also often mentioned by the prime minister, not put a barrier to the further reduction of spending and to the restriction of real incomes and consumption? Can the recently intensifying wage strikes sweep the budget away?

[Puch] In my view, if the strikes are successful, and the wages increase without limit—mainly in the public service sphere and at companies with state majority ownership—then it will not be possible to adhere to many target numbers of the budget, and inflation will be much higher than the expected 20 percent. However, this would equally hit everyone because the purchasing power of incomes would decrease to a greater extent and the budget would have higher interest payments to make than planned. Therefore, in the interest of a relatively narrow social group we must not yield to the pressure of strikes.

[MAGYAR NEMZET] In your view, where is the limit of the consumption reducing and restrictive economic policy?

[Puch] There is indeed a point until which it is possible to achieve balance improvement and export oriented economic growth by narrowing the domestic market, but the restrictions have a production limiting effect beyond this point. I believe that we have not yet reached this point; therefore, we must not base the economic growth on the expansion of domestic consumption because this would be concomitant with increasing the rate of inflation and indebtedness. In our view, we can start to expand the domestic market when we can produce goods that are competitive on all markets. The main task today is to find the dynamic balance point where the restriction of domestic consumption is not done at the expense of structural change and of the increase of investments and exports.

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Presidency Abolishes State of War in Country

AU2212212395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 22 Dec 95

[FBIS Translated Excerpt] We have just received news that the Bosnia-Herzegovina Presidency today held a session chaired by Alija Izetbegovic. The Presidency decided to annul the state of war on the territory of Bosnia-Herzegovina in accordance with provisions of the Dayton agreement signed in Paris. The Presidency will inform the UN Security Council of its decision. The decision pertaining to the proclamation of immediate war danger continues to be in force.

The regulation regarding the salaries of Bosnia-Herzegovina's armed forces continues to be in force for at least 120 days subsequent to the annulment of the state of war.

At today's session the Presidency also passed a decision to stop using Republic of Bosnia-Herzegovina reserve troops in the Bihac region. [passage omitted]

IFOR Begins Patrol of Sarajevo Separation Lines

AU2412175895 Paris AFP in English 1732 GMT 24 Dec 95

[Report by Adrian Brown]

[FBIS Transcribed Text] Sarajevo, Dec 24 (AFP) — French IFOR [Implementation Force] troops began patrolling Bosnian Army frontline positions in Sarajevo Sunday [24 December], as NATO's chief commander in Europe visited Bosnia on the fourth full day of the alliance's peace operation.

Picking their way through the shattered remains of a building close to frontlines separating the city's rival forces, a patrol of French soldiers checked every room on all 20 floors of the skyscraper for Bosnian Army soldiers and positions.

"We passed quickly through the entire building testing freedom of movement for ourselves and to see in fact if it was completely empty," Lieutenant Christophe Leheu, the officer in charge of the patrol, told AFP.

The inspection is the first of its kind in the building which housed Bosnia's government before the war. Others were carried out in neighbouring areas, part of the verification process undertaken by the Implementation Force to ensure compliance with Bosnia's peace agreement.

Soldiers from both Serb and government armies have to withdraw from certain areas around the capital by Wednesday. The French patrol found one government army trooper acting as an observer and a sniper position on another floor.

Empty catridges lay next to the sniper position, which overlooked Bosnian Serb positions on the other side of the divide. "We told the soldier to leave immediately and we shall return in the coming days for another check," Leheu said. The sniper position, he added, appeared not to have been used for "perhaps a week."

On Saturday Serb and government army commanders were given specific instructions to evacuate certain front-line zones around the capital, IFOR officials said Sunday.

IFOR spokesman Colonel Richard Pernot said forces would withdraw from "trenches, look-out posts, bunkers and certain buildings."

The pullouts will be the first since the start of NATO's peace enforcement operation, although French IFOR troops have already removed or bulldozed checkpoints around the capital that enabled the Serbs to choke the city for 44 months of siege.

Meanwhile, NATO's Supreme Allied Commander for Europe, General George Joulwan, said here Sunday he was very pleased with the NATO deployment in Bosnia to date and said that a year was enough for time to implement the Dayton peace agreement for Bosnia.

Joulwan was in Sarajevo after a short visit to US troops in the northeastern town of Tuzla Sunday morning.

"I came to Sarajevo to get an update from Admiral (Leighton) Smith (Commander of NATO in Bosnia) ... and am very pleased with where we are right now", Joulwan told reporters after meeting Bosnian president Alija Izetbegovic.

Another army chief, Germany's General Klaus Naumann, arrived Sunday at the southern Croatian port of Split to spend Christmas with German troops in the NATO Implementation Force.

Some 150 German soldiers have arrived in the south of the country on the Adriatic coast to prepare for the deployment of about 2,600 soldiers responsible for logistical and military operations.

Further north in Croatia, US army engineers set up a make-shift crossing over the River Sava, the country's natural border with Bosnia. A pontoon bridge is being constructed over the river to get US troops and their heavy equipment into Bosnia.

Using some elements of the pontoon bridge, the engineers — assisted by three boats — were able to put enough structure into place for armoured vehicles and construction machinery to cross the 310-metre (1,023-foot) wide river.

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IFOR officials also reported Sunday that two British soldiers had been slightly injured in a mine blast during a patrol in the area of Sanski Most, northwest Bosnia.

Elsewhere in Bosnia, a total of 245 prisoners of war were exchanged Sunday on a bridge, a front line in the northeast of the country. The Bosnian army handed over 114 Serb prisoners and the Serbs handed 131 Bosnian Moslems in return.

Gives Deadline for Pullout

AU2512142995 Paris AFP in English 1236 GMT 25 Dec 95

[FBIS Transcribed Text] Sarajevo, Dec 25 (AFP) — Bosnian government and Serb forces must pull out from 40 key points along the confrontation lines around the city by Wednesday [27 December] midnight, an IFOR [Implementation Force] official said Monday.

The deadline is the first of several designed to extract forces that have faced each other across urban frontlines for 44 months of often bitter fighting.

"The (forces of both sides) must leave their battle fighting positions by midnight December 27," Lt Colonel Richard Pernod, IFOR spokesman said. "At the end of this day we will check the key point on the confrontation line to see that these positions have been vacated."

Under the Dayton peace accord the two rival forces must withdraw from front line positions in stages to prepare for the eventual return of government control over much of the city, besieged since 1992 by the Bosnian Serbs holding territory and hills around the capital.

Pernod declined to give details of where the 40 key positions were, saying that "this process must be done with a great deal of impartiality." However, there will be 20 for each side and "whenever a Bosnian (government) position is evacuated so must a Bosnian Serb position," he added.

Some withdrawal has already begun Pernod said. Approximately 150 French Implementation Force troops who have responsiblity for Sarajevo will carry out the inspection. Mine clearance on the frontlines is for the local forces to complete he said.

Certain points in the city such as the former government building held by Bosnian force have already been cleared. A burntout highrise tower overlooking Bosnian Serb positions, French troops inspected the 20 floor blackened and battered hulk for the presence of government troops on Sunday.

The patrol found only one observation post and an old sniper position, apparently not used for at least a week. The Bosnian soldier was ordered to leave the building.

Joint Military Commission Discusses IFOR Role

AU2212215195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 22 Dec 95

[Statement by the Bosnia-Herzegovina Army Press Center on the first meeting of the joint military commission for the implementation of the Dayton agreement, in Sarajevo on 21 December — recorded]

[FBIS Translated Text] Army General Rasim Delic, commander of the Bosnia-Herzegovina Army General Staff, Brigadier General Mustafa Hajrulahovic, Brigadier Nedzad Ajnadzic, Mssrs. Omer Stambolic, deputy interior minister, and Mirza Hajric, minister adviser in the Foreign Ministry attended the meeting as representatives of the Bosnia-Herzegovina side.

The Croatian Defense Council [HVO] delegation was led by General Zivko Budimir, commander of the HVO General Staff. The first, formal, part of the meeting was addressed by Admiral Leighton-Smith, who acquainted those present about the Implementation Force [IFOR] tasks in implementing the military part of the Dayton agreement.

The Bosnia-Herzegovina delegation expressed its full readiness to support the IFOR mission; appropriate organizational measures have been undertaken in all branches of the armed forces. Admiral Leighton-Smith appointed General Walker, IFOR ground forces commander, chairman of the joint military commission. General Walker chaired the second part of the meeting during which he addressed the role and tasks of the ground forces. In accordance with this, he authorized the activating of regional military commissions, regulated ways of establishing communications at appropriate levels, as well as the conducting of operations regarding the withdrawal of forces from positions along the demarcation line in the Sarajevo region.

Bosnia-Herzegovina Army and HVO representatives signed a document guaranteeing full security and protection for IFOR members. Meetings of regional military commissions were also scheduled.

Czech President Vaclav Havel Arrives in Sarajevo

Meets With Izetbegovic

AU2212152095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 22 Dec 95

[Report by Mehmedalija Sisic]

[FBIS Translated Excerpt] After arriving at Sarajevo airport where he was warmly greeted, [Czech President] Vaclav Havel proceeded to the (?Konak) residence; he then toured and visited the sights of Bosnia-Herzegovina's capital.

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Following this, Czech President Vaclav Havel and Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, met for cordial talks in the Presidency building. Just over half an hour ago, the two presidents commenced a press conference at which they will address the content of their talks, their significance and the significance of the visit for future relations between the two friendly states, the Czech Republic and Bosnia-Herzegovina.

While we wait for our correspondents to report on the press conference, I wish to inform you that Vaclav Havel will this afternoon meet with Prime Minister Haris Silajdzic. [passage omitted]

One Year Enough for IFOR

AU2212190295 Paris AFP in English 1614 GMT 22 Dec 95

[FBIS Transcribed Text] Sarajevo, Dec 22 (AFP) — One year will be enough for the NATO Implementation Force (IFOR) to implement the Bosnian peace accord, Bosnian president Alija Izetbegovic said here Friday, noting that IFOR had started its mission well.

"Judging from their first days here and the efficiency that they have showed, if they continue this way I think that a year will be enough for them to carry out the job they came here for", Izetbegovic told reporters after his meeting with Vaclav Havel, president of the Czech republic.

IFOR took over from the UN troops in Bosnia on Wednesday.

Both Izetbegovic and Havel expressed their belef there was nothing Radovan Karadzic, Bosnian Serb leader, could do to prevent the peace process.

"There is no way back, the things are moving forward. ... Karadzic has no choice but to step out", Izetbegovic said.

"I think that international forces standing behind the Dayton accord are too strong for one man to reverse the process", Havel said.

Press Briefed on Talks

AU2212211695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 22 Dec 95

[Report by unidentified correspondent on the news conference held by Czech President Vaclav Havel and Bosnia-Herzegovina President Alija Izetbegovic in Sarajevo on 22 December — recorded]

[FBIS Translated Text] [Correspondent] Talks between President Vaclav Havel and President Alija Izetbegovic was also attended by Bosnia-Herzegovina Presidency members. The two presidents then held a news conference, at which President Alija Izetbegovic said:

[Izetbegovic] I had the honor of greeting President Vaclav Havel and his associates together with Professor Ganic, [words indistinct], and Mr. Pejanovic. Our citizens also had the chance of greeting President Havel when he toured the city this morning. Unfortunately, our citizens had not been informed; President Havel is not one to adhere to protocol, so he spontaneously toured the city; otherwise, a great number of people would have gathered to meet him.

In President Havel we greeted a great friend of Bosnia-Herzegovina and a great fighter for the freedom of his country and freedom worldwide. I thanked him for not being neutral during the conflict in Bosnia-Herzegovina. His stance that this was not a conflict of peoples, but a conflict of ideas is well known [words indistinct].

President Havel was interested in the details of the Dayton agreement, that is, the peace agreement signed in Paris, and I provided him with the explanations. Moreover, at Mr. Havel's request, I told him our stances and hopes for the future of Bosnia-Herzegovina. I told him that our goal was to maintain an integral Bosnia-Herzegovina, which will be organized as a civic, that is, [words indistinct]. This would more or less cover the contents of our talks.

[Correspondent] Following talks in the Presidency building, Czech President Vaclav Havel addressed the correspondents:

[Havel, in Czech fading into Serbo-Croatian translation] [Passage indistinct] I have come to offer my sympathies to the people of this country who suffered so much, and I came to express hope that peace has finally come to [words indistinct] their fate. Moreover, I came to extend my support for the development of democracy in this country. The Czech people and the Czech state are linked to Bosnia-Herzegovina through a traditionally long friendship, and I would like to state our readiness to cooperate in the reconstruction of Bosnia-Herzegovina [words indistinct] spiritual level. I am glad that I was able to resume the talks with President Izetbegovic and his associates that we began several months ago in Prague [words indistinct]. I was interested in several things, among others how the implementation of the Dayton agreement will progress, [words indistinct] elections will take place, and when parts of Sarajevo will be reintegrated into a single, integral city. I am glad that during my brief visit to Sarajevo I will have the chance to talk not only to politicians, but also artists and other Sarajevo citizens.

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[Correspondent] After that, the two presidents answered several correspondents' questions. One of the questions addressed to President Izetbegovic was whether one year would be enough for IFOR to implement peace. President Izetbegovic answered that if the beginning was anything to go by, the year would be enough.

In response to a question on how to reintegrate Sarajevo, President Izetbegovic answered:

[Izetbegovic] You know that this concerns four municipalities which have to be included in the Sarajevo region. They are Ilidza, Vogosca, Ilijas, and Hadzic. According to the census conducted a year and a half before the war, that is, in the beginning of 1991, not a single one of these municipalities had a Serb majority. The majority of Serbs lived in Ilijas, some 40 percent, while in Hadzic there were only 25 percent of them. It is true that today these are Serb municipalities, with a Serb majority, because all the non-Serb population has been expelled, literally expelled, during the war. We are demanding that this population return. In short, we want Serb civilians to stay in their homes, and the non-Serb expelled population to return [words indistinct]. How can we accomplish this? By implementing the Dayton agreement.

Silajdzic Meets With Havel

AU2212212495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 22 Dec 95

[Report by Zinaida Adilovic on the meeting between Czech President Vaclav Havel and Bosnia-Herzegovina Prime Minister Haris Silajdzic in Sarajevo on 22 December — recorded]

[FBIS Translated Text] [Adilovic] As part of his visit to Sarajevo, Czech President Vaclav Havel today also met with Bosnia-Herzegovina Prime Minister Haris Silajdzic. Following the talks, President Havel addressed correspondents:

[Havel, in Czech fading into Serbo-Croatian translation] I am glad that I have had the chance of holding a lengthy talk with Prime Minister Haris Silajdzic. It was a very interesting and intense talk, which lasted one hour. During the meeting, I mostly asked questions, rather than conversed. I learned many things which will allow me to broaden my knowledge of the situation. We also discussed bilateral relations. I am glad that Prime Minister Silajdzic has asked me to convey to our Prime Minister Klaus an invitation to visit Bosnia-Herzegovina.

[Adilovic] Prime Minister said the following about the talks:

[Silajdzic] It was with particular satisfaction that I talked to President Havel, whom we know not only as the Czech president and politician, but also as a writer, humanist, and human rights activist. President Havel wanted to know how we would achieve complete peace here. We can achieve this by reconstructing the economy and society. The economy we are going to reconstruct with the help of the international community, Czech firms among them. We will reconstruct the society through democratic processes. [Passage indistinct] and therefore, ready for democracy. Moreover, we have experience with nationalism. This combination will lead to a full democratization of the country [words indistinct]. Democratic developments in neighboring countries are extremely important, and peace and stability in Bosnia-Herzegovina is largely dependent on this. I am glad that President Havel agreed to convey my invitation to Prime Minister Klaus to visit Bosnia-Herzegovina.

Izetbegovic Receives French Defense Minister

LD2312185495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 23 Dec 95

[FBIS Translated Text] Alija Izetbegovic, the president of the Presidency of the Republic of Bosnia-Herzegovina, today received French Defense Minister Charles Millon. The French minister was accompanied by General Jean-Philippe Douin, the French Army Chief of Staff, General Bernard Janvier, IFOR [Implementation Force] deputy commander, and their aides. Presidency member Stjepan Kljujic was present at the talks. The topic of the talks was the implementation of the Dayton agreement.

President Izetbegovic underlined the delicate nature of tasks facing the French IFOR contingent, since it was stationed in the Sarajevo area, where a lot of effort was required to implement the agreement signed in Paris.

France will make every effort to carry out its tasks within IFOR as well as possible so that Bosnia-Herzegovina can embark upon the road of economic and cultural development, which war stifles. Then there could be more talk about bilateral relations, which could be developed greatly.

Gen. Delic on Peace Accord, Defense Capability

LD2312180595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 23 Dec 95

[Passages within quotation marks are recorded]

[FBIS Translated Text] The time has come for the fighters to take up important state and economic positions in Bosnia, because those who knew how to defend their

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country will know how to rebuild it, too, Army General Rasim Delic said today at a regular round table organized by the Council of Congress of Bosniak Intellectuals. He was speaking about today's topic: the peace agreement on Bosnia-Herzegovina and defense. Dzevad Kucukalic has a report.

[Kucukalic] In the opening statement of his introductory speech, Army General Rasim Delic said that the military aspect of the peace agreement was one of the most important and basic ones for the implementation of the whole of the peace agreement. He went on to say:

[Delic] "It is obvious that in the documents signed in Paris and prepared in Dayton there are two parts relevant for military issues. One part of the documents refers to the implementation of the peace agreement on the ground and the participation of the international community's IFOR [Implementation Force] in the implementation of the agreement. The second part of the documents refers to the constitutional solutions and the organization of defense in Bosnia-Herzegovina."

[Kucukalic] Everything concerning IFOR has been worked out in detail. As for the constitutional solutions, the documents are incomplete in the military sense, and often controversial.

[Delic] "The first impression about the arrival of IFOR and the first meetings we have had with General Smith and General Walker show that IFOR has come in order to carry out its task completely. IFOR is determined to do this in the framework of their mandate and all the documents agreed and signed. They will not hold any talks or negotiate."

[Kucukalic] Speaking about the document for the defense of Bosnia-Herzegovina, or rather, the idea to set up a joint army of the [Muslim-Croat] federation, Delic said:

[Delic] "At first, during the transitional period, the federal army will retain a component of both the [Bosnia-Herzegovina] Army and the Croatian Defense Council, which will gradually be phased out, from the head so to speak, with the phasing out first of the highest level of command in both components, which are the General Staff [of the Bosnian army] and the Main HQ [of the HVO], in order to blend them into a joint command."

[Kucukalic] Speaking about the possibility of the peace agreement being violated or losing importance, the Army general said:

[Delic] "In that event the Army of Bosnia-Herzegovina must be ready to defend with arms this part of the free territory of the Federation and the Republic of Bosnia-Herzegovina. (?If the war resumes) it must be ready to do this in one year's time, because we have not ruled out the possibility that things envisaged by the peace agreement will not be implemented, and that the world will again abandon us a year later to seek a solution for Bosnia-Herzegovina on our own."

[Kucukalic] At the end of his speech Commander Rasim Delic spoke about the criteria for the professionalization and demobilization of the Army of the Republic of Bosnia-Herzegovina, and the resocialization [resocijalizacija] of its members, as well as the necessary assistance from state bodies in order to achieve this. He concluded by saying:

[Delic] "We must ensure that the fighters who carried the burden of this war fully regulate their status. The state must not allow any manipulation of the fighters. My stance and my demand are — and I believe that the Army will make the same demand — that those who knew how to defend this country will surely know best how to rebuild it."

Delic Briefs Senior Staff on Army Reorganization

LD2412191995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 24 Dec 95

[FBIS Translated Text] Army General Rasim Delic, the commander of the General Staff, held a working meeting with all corps commanders and the most senior officers of the Bosnia-Herzegovina army's General Staff. More details from the Bosnia-Herzegovina army's press center.

[Unidentified correspondent] We must not become lulled by the current level of experience of the Bosnia-Herzegovina army's units, but have to continue building our armed force. The military experience we have gained in the war and the continued training based on NATO's example will guarantee that the evil will not happen again. Army General Rasim Delic stressed this during a working meeting attended by all corps commanders and the most senior officers from the Bosnia-Herzegovina Army's General Staff.

Some officers and the Army will have professional status with high-quality training and high morale. Some units will be kept in reserve and will be activated in the event of a renewed aggression. The federal Army is no longer a concept, but reality, and it will be formed by the Croatian Defense Council and Bosnia-Herzegovina Army members under a single command staff. In addition to our strong infantry, our Army will be equipped with state-of-the-art weaponry and equipment that is nowadays used by Western armed forces.

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Only the best people will remain after the reorganization that is under way, and their status will be shaped in line with the example of friendly countries, primarily the United States and other NATO members. The cadres needed for the reconstruction of the country, that are currently in the Army will be demobilized as a matter of priority.

In addition to these conclusions, a series of other orders and instructions were adopted. The Army members will be informed about them in due course. In any event, the latest military and political victories and the new set-up of the Army of the Republic of Bosnia-Herzegovina, which resulted in the Dayton agreement, are a guarantee for the survival of Bosnia.

Corps Commander Expresses 'Skepticism' Over Peace

AU2412174895 Sarajevo VECERNJE NOVINE in Serbo-Croatian 14 Dec 95 p 7

[Report on interview with Brigadier Sead Delic, commander of the 2d Corps of the Army of the Republic of Bosnia-Herzegovina, by Miroslav Petrovic; place and date not given: "United Nations Is To Blame for Srebrenica and Zepa"]

[FBIS Translated Excerpt] [Passage omitted] "We believe that the NATO forces will display different behavior than the UNPROFOR [UN Protection Force] on the ground. The United States stands behind them, and they will not allow anybody to play games with their soldiers, and particularly not to shed their blood. We will help the foreign troops to prevent any further spilling of blood," said Brigadier Sead Delic.

However, the commander of the 2d Corps looks at the future peacekeeping operation in Bosnia-Herzegovina with a lot of skepticism. He reminds that up to now there have been more than 30 various cease-fire agreements, and that the Chetniks have always broken them. That has been happening recently as well, as artillery attacks have grown frequent in Posavina, and two members of the [Bosnia-Herzegovina] Army have been killed on Mt. Ozren.

"The way for the implementation of the Dayton agreement will not be an easy one. We have been stopped in a campaign in which we would have solved the problems of this state. Now it is NATO's turn to force Serb extremists to accept the agreement. Otherwise, this might look like the calm before the final battle," Delic said, and added that there could be no peace until the exiled people returned to their homes, war criminals were taken to the tribunal in The Hague, and the state, on its entire territory, was arranged not to suit the measures of Bosniaks, Croats, or Serbs, but the measures of human beings.

Ready for the American

Answering a question on the preparations for the arrival of the international troops in the zone of responsibility of the 2d Corps, Brigadier Delic said:

"They can come straight away, but only as far as we are concerned. According to higher orders, we have taken all the steps to facilitate the beginning of ATO's mission. Four NATO "reconnaissance teams" nave already stayed here; we have fulfilled all that they required, starting from the plans for the distribution of the troops, withdrawal of our forces, to giving them the plans of mine fields. We have even made it possible for UNPROFOR to place their observation posts in requested places, in order to facilitate the arrival of IFOR [Implementation Force].

"However, we could not fulfill some of the requests which collide with some of our national interests," Delic pointed out, alluding to the requests of some world agencies to be allowed access to the domains of special Army formations which, as he stressed, are a national interest of the state of Bosnia-Herzegovina, and form a part of a top secret. He underlined that in the units under his command there were no fighters from Islamic countries, but that there was a small number of foreigners from some Western countries, mainly Germans and French. They respect all the rules of military service in the Army of Bosnia-Herzegovina. [passage omitted]

Delic says that the Dayton agreement, on the territory of northeast Bosnia, is not in favor of Bosniaks. There are some places in which before the war there were around 10 percent of Serbs, and yet, according to the agreement, those towns now belong to them. Brcko is one of them. If the status of Brcko is not solved in one year's time, as has been agreed, the army will create conditions to liberate it in the military way. Similar things can be said about some other towns, in which the Bosniak population was a majority before the war, like Banja Luka, Prijedor, Bijeljina, Doboj.

"Unfortunately, those towns have now been ethnically cleansed, and the expelled people will not be able to take part in the elections for the future authorities," Delic pointed out.

"I Fear 'Cyprus-ization'"

Delic's answer about the future impact of the international troops in Bosnia-Herzegovina was particularly

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interesting. He says that he is afraid of the "Cyprusization" of the situation. One year is not enough for the realization of the Dayton agreement.

"Three years ago I said that there could be no peace as long as the Serbs were led by Karadzic and Mladic. They are still the main obstacle to the peaceful reintegration of the occupied parts of Bosnia-Herzegovina," Brigadier Delic pointed out.

Talking about the cooperation with the Americans, and about the "news" on their readiness to arm and train the army for defense, Delic said:

"It is clear to everybody that the army has to be equipped and trained, in order to be a guarantee for the survival of its people in this region. Until now the only 'suppliers' of arms for us have been the Chetniks. A balance in armament has to established. Both between Serbia and Croatia, and between those two states and Bosnia-Herzegovina. That means a balance in the number of airplanes, helicopters, artillery pieces, tanks, armored-mechanized troops.... The sooner it comes to that, the sooner a true peace will come to the Balkans, which otherwise would always be a powder keg for provoking armed conflicts."

Serb Prime Minister on 'Strong Links' With Serbia

LD2512181395 Belgrade SRNA in Serbo-Croatian 1704 GMT 25 Dec 95

[FBIS Translated Text] Banja Luka, 25 Dec (SRNA) — Serb Republic Prime Minister Rajko Kasagic announced at a news conference in Banja Luka today that the government would work out a new welfare program for the worst affected social classes, such as families of fallen fighters, war invalids, pensioners, and refugees.

Speaking at the news conference, Kasagic said that "salaries in enterprises and municipal bodies have been paid out regularly while there is a several month delay in paying out pensions and disability benefits."

"In order to do away with such practice, the government will work towards the full centralization of funds to meet the needs of the above-mentioned social classes," Kasagic said.

He laid a particular stress on the need to reestablish payment transactions with Serbia and to include the Serb Republic in Program Two [Yugoslav Bank Governor Avramovic's economic program], as soon as IFOR [Implementation Force] is deployed along the new separation lines according to the Dayton agreement.

"According to the peace agreement, the sanctions of the international community against the Serb Republic will be automatically suspended as soon as the warring sides withdraw to the agreed borders," Kasagic said, adding that the Serb Republic would immediately establish strong links with the Federal Republic of Yugoslavia.

The Serb Republic prime minister said that the Serb Republic would establish the necessary cooperation with the IFOR command to resolve all contentious issues on the basis of the Dayton agreement.

Kasagic said that in the forthcoming period his cabinet would pay most attention to the operations of the ministries of internal affairs, finance, and information.

On Economic Cooperation Efforts

LD2512181595 Belgrade TANJUG in English 1801 GMT 25 Dec 95

[FBIS Transcribed Text] Banja Luka, Dec. 25 (TANJUG) — The prime minister of the Bosnian Serb state Republika Srpska [Serb Republic], Rajko Kasagic, said on Monday that all forms of economic cooperation would be offered 'primarily to the Federal Republic of Yugoslavia, but also to the Muslim-Croat entity in Bosnia-Herzegovina.'

Kasagic told journalists in Banja Luka that the Bosnian Serb Government would propose to the next parliamentary session to pass the recently adopted Yugoslav economic program created by the governer of the National Bank of Yugoslavia, Dragosalv Avramovic, at least in the monetary sphere.

'I will soon propose a joint meeting with the prime ministers of Yugoslavia, Serbia and Montenegro to discuss further cooperation,' Kasagic said.

Kasagic said Republika Srpska is ready to form economic ties with other countries and added that cooperation has already been established with Greece, specially in the reconstruction of housing facilities.

He said that a special bureau would be set up in Athens and that it would be funded by the Greek Government. Kasagic said that 250,000 German marks have already been paid into a special account.

Karadzic Urges End to Serbian Blockade on Drina

LD2312205695 Belgrade SRNA in Serbo-Croatian 1925 GMT 23 Dec 95

[FBIS Translated Text] Zvornik, 23 Dec (SRNA) — The recognition of the statehood of the [Bosnian] Serb Republic is a great victory, despite the fact that the Muslim-Croat Federation has ended up with a large part of the ancestral Serb territory, it was said at a meeting of the Main Committee of the Association of Serbs from former Bosnia-Herzegovina held in Zvornik today.

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Radovan Karadzic, the president of the Serb Republic, attended the meeting dealing with various aspects of the implementation in the field of the Dayton agreement, and expressed his hope that cooperation between the Serb Republic and the Federal Republic of Yugoslavia will be established soon to mutual satisfaction.

Karadzic said that more than 350,000 Serbs had left former Bosnia-Herzegovina since the Second World War, and that they were now respected people in the fields of culture and business, always prepared to understand and help their brothers in the Serb Republic. He said that the Serb Republic did not expect aid any longer, but offered cooperation instead.

"Being aware of how much Serbia has been exhausted by the sanctions imposed by the international community, we now do not seek aid. We want cooperation, because our economy is strong and healthy and all we need now is the lifting of the sanctions on the Drina River in order to see the results of that economy," Karadzic said.

He called on the participants in today's meeting to do their best in order to establish firmer links between the economies of the Serb Republic and Serbia as soon as possible.

After the meeting, Gojko Djogo, the president of the Serb association, said:

"It was our decision to cross the Drina River and show symbolically that there is no blockade that could prevent the Serbs from being together."

He said that the Drina blockade "is the greatest shame that could have ever befallen the Serb nation," and that he hoped it would be lifted soon.

"I think that in the future we should cross the Drina as frequently as possible. The members of our association have two homelands and they find it difficult to suffer the injustices done to the Serbs of the Serb Republic," Djogo said, and added that the association had around 60 committees in Serbia that will do their best to help the economy of the Serb Republic in order to make it self-reliant.

Bildt Discusses 'Serb Sarajevo' With Krajisnik

AU2312212695 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 22 Dec 95

[FBIS Translated Text] Today in Lukavica Momcilo Krajisnik, chairman of the Assembly of the Serb Republic, talked to Carl Bildt, the international community's mediator for the implementation of the civilian aspects of the Dayton agreement, about the future of Serb Sarajevo.

The meeting was held behind closed doors, and the two gave statements after it ended. Bildt emphasized that there can be no solution for Serb Sarajevo without Serbs, and that all the solutions will be sought through dialogue. In the same context, Bildt announced that talks with the Serb side would continue in January. Mr. Bildt then added:

[Begin recording] [Bildt in English with superimposed Serbo-Croatian translation] Mr. Krajisnik and I had very useful talks; we mostly discussed the issues concerning the future of Sarajevo and the Serbs living in the city.

We agreed there are a number of issues concerning the implementation of the agreement in Sarajevo that need to be addressed. We discussed the ways in which it is possible for us to establish a dialogue, that is, to start to resolve these issues, and to consider the various possibilities of establishing trust.

We will continue these talks in early January in order to resolve some issues, make some progress in the weeks to come, and see how far we can go in resolving the entire issue.

I told Mr. Krajisnik that his statements were very significant, that is, that it is important that Serbs stay in Sarajevo. We, the international community, want Sarajevo to be a city for everybody, a city in which Serbs, Muslims, and Croats are able to live in harmony, having established trust, and feel safe and secure. We must create the conditions for that.

[Krajisnik] We are grateful to Mr. Bildt for having found the time to devote to resolving the issue of Sarajevo in these difficult times for the Serb people in Sarajevo. I think we have ways to resolve the issue of Serb Sarajevo, to find a solution, and I am certain that, with Mr. Bildt's mediation, we will be able to resolve this issue with the other side in January.

We pointed out the seriousness of the situation, the fear, the confusion, and lack of information, all of which are fatal for peace and normal life in Serb Sarajevo. We are grateful for the understanding, and we hope we will find a good solution soon. [end recording].

According to Western diplomatic sources, the Serbs may keep the local authority bodies in the parts of Sarajevo they are controlling until the election in Bosnia-Herzegovina, which has been scheduled for September next year.

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Serbian Church Protests 'Ethnic Cleansing'

LD2312160995 Belgrade SRNA in Serbo-Croatian 1013 GMT 23 Dec 95

[FBIS Translated Excerpt] Belgrade, 23 Dec (SRNA) — The Holy Bishops' Assembly of the Serbian Orthodox Church welcomes peace and an end to the civil bloodshed in former Bosnia-Herzegovina, but it protests against the shameful silence here and abroad about the ethnic cleansing of the Serb space.

A statement issued from the session held on 21 and 22 December, says that the Army of the Republic of Croatia and Bosnian Croat and Muslim formations in former Bosnia-Herzegovina, helped by international factors, carried out ethnic cleansing of the Serb people from western Slavonia, Knin, and Bosnian Krajinas.

The Holy Bishops' Assembly also protests against the ethnic cleansing of Serb Sarajevo and other areas, which are to be unjustly taken out of the Bosnian Serb Republic, eastern Slavonia, western Srem, and Baranja, which is being prepared "in line with the Dayton-Paris agreement."

"A peace that sanctions force and blames the past and present victims, and endorses the main culprits as peacemakers and saviors, is not and cannot be a just peace," the statement says, and adds:

"Hence, we appeal to the international factors to protect the endangered Serb population in Serb Sarajevo and other disputed Bosnian Serb Republic territories, as well as in Baranja, western Srem, and eastern Slavonia.

"We also appeal to the endangered and expelled people not to leave their ancestral homes and to return to them. The Bishops' Assembly calls on expelled bishops and priests to return to their seats. We must not give up our ancestral homes, relics, and graves."

The statement stresses that "the peacemaking role of His Highness Serbian Patriarch Pavle, who acted solely as a witness and reconciliator of brothers during the signing of a document, which was agreed by the people's deputies on 29 August, was misused and misinterpreted.

"Hence the Holy Bishops' Assembly regards his signature as invalid and non-binding on the church, and is distancing itself from its consequences." [passage omitted]

Church Disavows Milosevic

AU2312151595 Paris AFP in English 1401 GMT 23 Dec 95

[Report by Milan Dragovic]

[FBIS Transcribed Text] Belgrade, Dec 23 (AFP) — The Serb Orthodox Church in a statement on Saturday [23 December] bitterly attacked Slobodan Milosevic for imposing an "unjust" peace on Bosnian Serbs.

After a two-day meeting, the church's holy synod late on Friday declared as null and void the signing in August by the church's patriarch of a document which authorised Milosevic to negotiate on behalf of the Bosnian Serbs.

The synod argued the patriarch had been "taken advantage of" by the Serbian president and the document was "not binding on the church."

It further accused Milosevic of endorsing "ethnic cleansing" carried out by the Croatian Army and Moslem Croat forces against Serbs, in regions of Croatia and Bosnia, where Serbs were in the majority.

According to the statement, made public by Serb media on Saturday, the holy synod "welcomes peace and the end of civil war" in Bosnia, but considers that "a peace which throws blame on the victims of yesterday and today and designates as the prime culprits saviours and peacemakers cannot be a just peace."

In its eyes, the guilty parties are Milosevic and the international community, which presented "an unprecedented defeat for the Serb people" as "a victory of justice and peace."

The holy synod also called on Milosevic to "lift once and for all the shameful sanctions" which have been imposed on the Serbs for 17 months.

It called on the Serbs of rump Yugoslavia (including Serbia and Montenegro) to make peace with those of Bosnia. It also exhorted reconciliation between the Serbs and other peoples.

Originally, the church, whose influence remains weak in the rump Yugoslavia, considered Milosevic was a defender of Serb interests, but later attacked his "communist methods."

Not surprisingly, in the statement published by Serb media, the holy synod made no reference to "ethnic cleansing" carried out by Serbs against Croatians and Moslems.

In particular, it attacked "the ethnic cleansing which is fermenting in Serb areas of Sarajevo and in the other

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LD2312160995 Belgrade SRNA in Serbo-Croatian 1013 GMT 23 Dec 95

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"We also appeal to the endangered and expelled people not to leave their ancestral homes and to return to them. The Bishops' Assembly calls on expelled bishops and priests to return to their seats. We must not give up our ancestral homes, relics, and graves."

The statement stresses that "the peacemaking role of His Highness Serbian Patriarch Pavle, who acted solely as a witness and reconciliator of brothers during the signing of a document, which was agreed by the people's deputies on 29 August, was misused and misinterpreted.

"Hence the Holy Bishops' Assembly regards his signature as invalid and non-binding on the church, and is distancing itself from its consequences." [passage omitted]

Church Disavows Milosevic

AU2312151595 Paris AFP in English 1401 GMT 23 Dec 95

[Report by Milan Dragovic]

[FBIS Transcribed Text] Belgrade, Dec 23 (AFP) — The Serb Orthodox Church in a statement on Saturday [23 December] bitterly attacked Slobodan Milosevic for imposing an "unjust" peace on Bosnian Serbs.

After a two-day meeting, the church's holy synod late on Friday declared as null and void the signing in August by the church's patriarch of a document which authorised Milosevic to negotiate on behalf of the Bosnian Serbs.

The synod argued the patriarch had been "taken advantage of" by the Serbian president and the document was "not binding on the church."

It further accused Milosevic of endorsing "ethnic cleansing" carried out by the Croatian Army and Moslem Croat forces against Serbs, in regions of Croatia and Bosnia, where Serbs were in the majority.

According to the statement, made public by Serb media on Saturday, the holy synod "welcomes peace and the end of civil war" in Bosnia, but considers that "a peace which throws blame on the victims of yesterday and today and designates as the prime culprits saviours and peacemakers cannot be a just peace."

In its eyes, the guilty parties are Milosevic and the international community, which presented "an unprecedented defeat for the Serb people" as "a victory of justice and peace."

The holy synod also called on Milosevic to "lift once and for all the shameful sanctions" which have been imposed on the Serbs for 17 months.

It called on the Serbs of rump Yugoslavia (including Serbia and Montenegro) to make peace with those of Bosnia. It also exhorted reconciliation between the Serbs and other peoples.

Originally, the church, whose influence remains weak in the rump Yugoslavia, considered Milosevic was a defender of Serb interests, but later attacked his "communist methods."

Not surprisingly, in the statement published by Serb media, the holy synod made no reference to "ethnic cleansing" carried out by Serbs against Croatians and Moslems.

In particular, it attacked "the ethnic cleansing which is fermenting in Serb areas of Sarajevo and in the other

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regions which are to be unfairly taken back from the Serb Republic (the Serb-held entity in Bosnia) under the Dayton peace accord."

According to a referendum held on December 12, almost all Sarajevo Serbs are opposed to the accord initialled in Dayton, Ohio, in November, and signed in Paris on December 14.

Fearing reprisals, they have said they are obliged to leave the Bosnian capital, and they claim this amounts to ethnic cleansing.

For two years, the church has become increasingly involved on the political scene and has repeatedly stated its opposition to Milosevic, whom it claims is incapable of leading the Serb people along "the right road."

In a statement earlier this month the Serb Orthodox Church warned the international community to brace for ethnic cleansing in the wake of the Dayton accords.

'Nationalistic Fervor' Abates in Banja Luka

AU2412195295 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 24 Dec 95

[Report by Milos Markovic from Banja Luka]

[FBIS Translated Text] What is life like in Banja Luka these days? Many people will wonder about this, even though they might be aware that there is no real answer to this question. The essence is not in the extremes, although some might say that life is splendid and some that it is miserable. In fact, the old saying that one man's poison is another man's medicine can be easily verified here.

Very, very few people live in abundance. There are far more of those that live in poverty. The refugees, some 80,000 of them, must be the most unfortunate category of the population. Still, despite everything, Banja Luka and its people have preserved what we might call dignity and persistence, so that this city, regardless of all its misfortunes, even appears elegant in certain aspects.

The statistics will tell you that bread, milk, meat, and eggs are almost twice the price they are in Belgrade. Fuel is also double the price, and street markets sell goods that are about 50 percent more expensive than in Belgrade. One of the explanations is that goods pass through several hands, all of whom charge a certain amount, and then the customer has to pay the price.

The economy, as is well known, has been literally decimated, although one can hear some optimistic forecasts. Electricity is more often off than on.

As for the streets, uniforms and black garb dominate. There are many people on crutches, and many of those made invalids for life. There is hardly a single tree without obituaries stuck on it. These are the most tragic and brief reports from the former fronts. There are also young people about, mostly students that have recently replaced the trenches with schoolrooms. They are cold, this is true, but try comparing the two.

Most people express hope and confidence in a more normal future life. Peace is, of course, the precondition for everything. The nationalistic fervor has abated in most people, and they view everything in more sober and calm terms. One can often hear that things will never be the same again. Some people say this with sadness, and some with joy, while some add to this that one never knows.

The dominating impression about Banja Luka is the journey to this city. For dozens of kilometers through Bosnia one comes across scenes like these [video shows scenes of destroyed houses]. Of course, there are many people in the city who have been made homeless through such methods, but it is natural to suppose that perpetrators of such — shall we say — acts of labor are also present in the city. If the comparison stands, many people's souls have been destroyed like these houses. The perpetrators of such crimes will also have to battle their own conscience over them.

The normalization will naturally not be easy, but the awareness is already dominant that all the wisdom and all the energy will have to be put into it. The psychology of war will have to be replaced with the psychology of creativity. Most people are aware of this, and this is the main cause for the optimism one feels about Banja Luka despite everything.

Commentary Condemns Sarajevo Unification

AU2412193995 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 15 Dec 95 p 3

[Commentary by Dragan Tepavcevic: "The World Has Been Defeated"]

[FBIS Translated Text] After almost a month since the end of the mammoth serial "Little Dayton," people still cannot believe that Serb Sarajevo has been surrendered by a single initial to the Muslim-Croatian Federation. Nobody in this Serb entity could believe (and they still cannot) that the U.S. chauvinistic farce in Ohio would be ended by relinquishing the second largest Serb city, and that 140,000 Sarajevo Serbs will be one of the biggest losers in the four-year civil war. Although theories on the eve of negotiations about unified Sarajevo, being constantly repeated by the Muslim negotiators and then also by their U.S. sponsors, announced the possibility of painful concessions, few people believed

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that unified Sarajevo could mean unified solely under Muslims, and that in such a shameful resolution there will be no room for Serbs. Ivo Komsic, a member of the Croatian-Muslim negotiating team, said in a Muslim news broadcast, and also in a Voice of America broadcast several days ago, that he had been shocked and surprised at the proposal by the head of the Serb delegation that Serbian Sarajevo should belong to the Croatian-Muslim Federation.

Painful Peace....

Then you can imagine how shocked the Sarajevo Serbs were, if Komsic himself viewed the proposal with utmost disbelief! Without intending to start any analyses about who gave up Serb Sarajevo and whether that really happened, we just want to remind you of a minimum of Serb national interests that were defined at the meeting of the People's Assembly of the Serb Republic in Bijeljina, shortly before the Dayton negotiations. It was concluded that the Serb entity must have a wider corridor at Brcko (around 20 kilometers), that much of the conquered, centuries-long Serb territories in the northwest of the republic must be given back to the Serbs, that the Serb Republic must have access to the sea, and it must have its own part of Sarajevo.

It is not difficult to calculate what has remained of the defined Serb national interests. We know also who represented those interests. Peace is certainly an interest above all interests (and it is the brightest event that happened in Dayton), but the peace in which two greatest parts of the Serb entity are hardly linked up with each other (the issue of Brcko remains unsettled), whereas the Muslim side has obtained not a corridor, but a whole territory to link up with Gorazde, the only city that has remained in Serb territory, and the whole of Sarajevo in addition, is really a painful peace that causes concern. Not to mention that only Mrkonjic Grad and Sipovo with surrounding woodland have been returned to [Serb-held Bosnian] Krajina. So can the Sarajevo Serbs reconcile with such a peace? In the past several days they have answered this question by holding peaceful demonstrations against the Dayton initials, protesting against the addition of their homeland to the Muslim-Croatian Federation. They have lit 140,000 candles, they have endured London, and so will they Paris. Nevertheless, an answer to the question must be sought: Why was it so important to the world and the Muslims to obtain the whole of Sarajevo, and to banish Serbs from their homes? Both of them will immediately answer that nobody intends to banish the Serbs, which is the same old tune already sung by the London choir without Holbrooke the soloist, but it is clear to everybody that they will have to banish them, unless the Serbs leave by themselves, because it is more than obvious that the Serbs in Sarajevo will not accept the Muslim army and police in their territory, of which they never lost a millimeter to the enemy over the four years of war.

A "Civil" Jamahiriyah

Let those who wonder why the Serbs would not accept the Muslim authority go across to the federal Sarajevo, and ask some 30,000 Serbs (who have remained there under coercion) how they felt and how they still feel in Alija Izetbegovic's state. Are they perhaps equally treated citizens in a civil jamahiriyah existing on the other bank of the Miljacka River? Of course, these questions should not be put to Mirko Pejanovic, Miro Lazovic, Tatjana Mijatovic, and other ex-Serbs, who sold out their honor a long time ago. Still, let us go back to our question of why it was so important to the world and the Muslims to obtain the whole of Sarajevo. First, the design was to break one of the last strongholds of Serbianhood that has successfully resisted throughout the four years of war. In the same knightly and Serb manner as when they withstood Muslim aspirations in April 1992 they have expressed these days their equal determination not to move away from their land and leave the graves of their ancestors.

They have not lost heart, or faith, and they are not less Orthodox even despite the painful realization that someone has abandoned them or more precisely deceived them. Both Holbrooke and Alija Izetbegovic (and certainly some other people) care very much to break the stronghold, so the Serbs would no longer hold together, and to scatter them throughout the entity and weaken their incredible centrifugal force. Scattered, they might forget who shot at Gardovic, and might even accept in time that the Princip Bridge is now called the Franz Ferdinand Bridge. Perhaps they will forget which city has always been the Serb capital in this region.

Which is to say, those and such Serbs are to be displaced, and as far from one another as possible, so that the Serbs from Hadzici or from Ilijas do not have a chance to live together and communicate with one another every day. Together they are as dangerous as the Serbs from Grbavica acting in unison with those from Ilidza or Vogosca.

Preparations for a New War

Second, all traces of crimes committed are to be removed. The world wants to remove traces of its own crimes first, because tons and tons of NATO's bombs were falling for many days on Serb Sarajevo, on Serb civilians and Serb homes. The Serbs are to be prevented from showing and proving what the

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democratic world did to them. Numerous craters will be filled in by Muslims who would want to eliminate evidence that in Muslim Sarajevo some 15,000 Serbs were killed, to eliminate evidence of the existence of Viktor Bubanj [barracks], the Central Prison, and many other places where second-class citizens were tortured. They would want to eliminate evidence of mass graves and witnesses, they would want them all to fall into oblivion. Both the world and the Muslims are afraid of Sarajevo, of themselves and their disfigured consciousness and conscience, their beast-like faces they see every day in the bloody water of the Miljacka River. That is the reason why they need the Serb city without Serbs, in order to forget about themselves.

Third, they are trying to win the most important (so far unconquerable) strategic position for a future war, which will break out within a year or even earlier. It is inevitable because it is desired by those same U.S. congressmen who are now waving the olive branch. Because, why would they then insist on arming the Bosnian Muslims and training [the Bosnian Army's chief commander Rasim] Delic's askari [Turkish soldiers or policemen], if they really want peace?

It is not important at all how the Dayton architects of regions and destinies will explain that Sarajevo will be the capital of the Muslim-Croatian Federation and the capital of the Union. What kind of joint capital of two entities will it be without a millimeter of Serb-owned territory in it? It is easy to find an answer to the fact that the return of all refugees is being announced (and guaranteed?), whereas in case that Serbs fail to protect their rights, 140,000 Serbian heroes who have remained and will remain undefeated will leave the city.

The Muslims and their sponsors are hoping for such an exodus, but we sincerely hope that it will not happen.

First, because those Serbs do not want to leave their land, because they will defend it like they have so far, and because their truth has reached the world and those who were being told nothing but lies and deceptions for four years.

Second, because a part of the so-called international community has already begun to feel shame because of its double standards, which favored solely Muslim aspirations, so that after London and Paris different solutions are being proposed.

Third, because they are afraid of killing or displacing 140,000 innocent people, and because this number is too big to deal with even for Western powers.

Fourth, because they are afraid that the Sarajevo Serbs, if they leave, might take with themselves their graves, church altars, and icons, causing amazement with all the normal people in the world, which would be the severest defeat for all "democratic" advocates of the new world order.

They are afraid of Serbs and would do anything to avoid a new defeat. And they are in any case ashamed and defeated by what they did and what they are still doing.

Serb Commentator Urges 'Revenge' Over Accord

AU2412212895 Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 15 Dec 95 p 3

[Commentary by Dragoljub Maslic: "Squaring of Bloody Accounts"]

[FBIS Translated Text] "Only torches speak against the dark..." wrote the poet Jovan Ducic a long time ago, explaining what he had in mind by a new verse: "In the mirror of a sword the future is seen." Global mobsters want to take away from us yet another Serbian victorious hymn, and to ascribe it to the enemies of the Serb people — Ustashi [Croatian World War II fascists] and their "blossom" (Muslims). The new Dark Ages are before us, and torches are ready for a new ordeal. Suffering and difficulties are awaiting us in the post-Dayton darkness, while the sword, made shiny by much use, reflects the blood-red color of another Serbian future.

The Dayton, London, and Paris architects of the Serbian destiny have done and are doing everything to compel us to live together again with our murderers and conquerors, and they are delivering us to executioners who would want to slay the seed of Serbianhood, flay our skin and suck out our eyes, to prevent us from bearing children, walking, or seeing. They have been sucking the marrow out of our bones for an entire century, relishing the slaughter of our children, and they are still reassuring us of joint life, with a knife stabbed in our back! The world's holy mentors, and even our enemies, have suddenly become humane, devoted supporters of misty human rights, freedom, welfare.... These and such attractive, yet hollow offers the Serbian people will not swallow. We do not need anybody's experts for reconstruction of our destiny. Because amidst those offers and Serbian demands dwells — revenge!

And the inevitability of the Serb revenge on criminals is becoming a Serbian holy duty that is not limited by time. Puritans will reproach us for overdoing it, but in revenge there is no overdoing. It is just a small part of squaring bloody accounts. And such unsquared accounts have run through the entire 20th century. Our enemies, who have expanded their criminal connections

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and specialized in genetic crimes, know this very well. Amidst the Serbian kindness and broad-mindedness, and particularly the propensity to forgive, the genetic code of revenge is beginning to take root. And it is about time!

New Challenges

The so-called Dayton peace treaty says nothing about revenge, and not only the Serbian one. Likewise, it was not mentioned at the recently completed international conference in London that dealt with strategic political aspects of the implementation of the U.S. intentions in Bosnia, which means that revenge will be deliberately circumvented at the signing ceremony in Paris as well. The United States has taken Bosnia in its hands with the clear intention to underestimate and bring shame on Europe, and also, instead of Europe, to settle the issue of Serbs for good, on behalf of Islamic oil! Even the old American owl in the UN Security Council, Madleine Albright, who hates Serbs more than her age, has humiliated Europe by saying that "in this century Europe has shown several times its incapacity to deal with its own problems."

Old lady Albright is right in one point, and is justifiably criticizing Europe. One does not need to be particularly wise to conclude that Europe has deliberately dodged the new, future bloodshed in the Balkans that was designed in the faraway United States. It has left it to the greatest world power to clean up its own yard (the Balkans), to brandish a broom (military force), to tidy up mortal enemies and close them in a brotherhood-and-unity fold, and, of course, to take the consequences of the inevitable retaliations that will follow. In that unavoidable new war U.S. soldiers, as well as European ones, will get stuck in the Bosnian mud, and their coffins will lie all over the place. A sneaky Islamic factory of lies, oiled by green dollars, will proclaim the Serbs responsible for all the hardships of the would-be peacekeepers. And the Serbs will again have to pay for bloody frame-ups by the enemy, while Europe will accept them as a need for revenge on the entire Serbian people, because CNN, LE MONDE, DIE WELT, GUARDIAN, and so forth have said so.

Then Uncle Sam will pack up his ammunition boxes and go back home, because the democratic United States will demand that, for it does not want its best sons to die in the Balkans quagmire. Perhaps only then will Europe be given the authority to let the Balkans settle its problems by itself! Until then the United States, together with Europe, will deliver so many arms to the Muslims and the Croats that it will be able to afford the luxury of leaving them alone to carry out the final battle against the Serbs without additional bombing by the NATO air force. Nevertheless, all these possibilities depend on the health of Russia, which might also be able to repel the American plague from the Kremlin. And then the balance of terror could be reestablished, and the world would resume cohabitation that is now being forced upon the warring factions in the former Bosnia-Herzegovina, and particularly on the Serbs in Sarajevo.

The Dayton Annexes

The peace plan initialed in Dayton, which met with clear disfavor of the Serbian representatives of the Serb Republic, is so mysterious that even the most imaginative cannot understand its clauses without difficulties, where even a comma, as is said, cannot be changed! The United States has entangled itself so much in commitments it has entrusted itself with, that the average human capacity of understanding cannot take it. The United States is coming to the former Bosnia-Herzegovina under the pretext of keeping peace there. Its concern about that peace means at the same time arming and training Alija Izetbegovic's army in order to make possible for it to defend itself from the Bosnian Serb forces, as the NEW YORK TIMES put it.

For those capricious congressmen who are asking too many questions, but also for the average U.S. citizen who is used to observing and interpreting everything through a prism of advanced democracy, an interesting argument, found in Annex 1-B of the Dayton agreement, has been launched into the public domain. Reflecting the U.S. idea of how to keep peace in Bosnia, in this annex Clinton's experts on world conquests have anticipated certain limitations on armaments owned by the warring factions. These "limitations" mean that the U.S. Army will enforce the reduction of arms on those sides that abound in them, without naming any of those sides, while at the same time providing additional armaments to the poorly armed sides, being precisely defined as the Bosnian Army. Neither congressmen nor average U.S. citizens have the slightest idea of either in which part of the planet Earth the Balkans is situated, or whether those Serbs belong to some Indian tribe, or why this war is being waged! However, as long as they are listening to CNN and eating fast food, whenever a leaf of lettuce falls out of their sandwich, causing a waste of important vitamins of major significance for their lives, they will forget about those matters. And since Clinton, Perry, Christopher, and other prominent global policemen have as much lettuce as they need, their peace in peaceful Bosnia can be maintained only by arming the Bosnian Army. Thus, according to THE NEW YORK TIMES, reviewing American disagreements in the leading bodies of the U.S. Administration, the Bosnians (not referred to

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as Muslims) will finally get arms that their supporters, or concretely Senator Bob Dole, have been demanding for years!

Balance of Power

The balance of terror in the former Bosnia-Herzegovina, being an inevitability of the implementation of the final peace that will be signed on 14 December in Paris, is renamed as the balance of power. A play on words! In the Dayton Annex 1-B the Serbs are not directly referred to in any regard, but clearly, they go without saying. U.S. Defense Secretary Perry, referring to Serbs, also refrains from mentioning them directly when saying on television that "we (that is, Americans) are resolved to accomplish that goal, even if the overly armed forces do not reduce their arms to required quantities," but he is quite precise in explaining the necessity of improving the balance of power by the United States' supplying the Bosnian Army with arms, together with other countries (he does not say Islamic countries). So, the ordinary American, who cares more about a leaf of lettuce in a McDonald's hamburger than about the suffering of the entire Serbian people, has gotten an impression that it is extremely necessary to arm some Bosnian army there. Of what concern is this for Americans?

This is still not the end of foreign newspapers' reports on Serbs! We are being referred to not only in New York City, but also in Washington. THE NEW YORK TIMES reports on us, and as columnist Anthony Lewis most probably believes, in the right manner, being a perfect opportunity for activating a U.S. propaganda hammer and shaking up those who have read the historic text brought out in THE NEW YORK TIMES. Since he has explained in detail the U.S. dedication to the establishment of the balance of fear in Bosnia, Lewis (that is, official Washington) concludes: "When the NATO forces withdraw after approximately a year, the Serbs will no longer be in a position to resume their aggression." Of course, we still cannot get rid of the customary reputation given to the Serbs by Alija, Franjo [Tudjman], the Americans, or the French-British, calling them aggressors. Lewis (that is, the official United States) does not want to explain to his readers that the Serbs are considered victims in their own land. This would cause a chaos in making logical conclusions, and the United States is not allowing that, because its citizens might experience a shock. And they might side, at least to a degree, with the "black" Serbs!

At least as a small solace, we quote an excerpt from a WASHINGTON TIMES commentary that, in contrast to all its "relatives" in New York, does not spare criticism of President Clinton. On 3 December 1995 the newspaper brought out the following:

"Made by someone else, this appeal of President Clinton's for peace in Bosnia would sound much more serious. However, while he was talking it was impossible to ignore the fact that he is a man who dodged army service in a war that, according to his predecessor, was waged for honorable goals, and that he even took part in demonstrations abroad, encouraging communists in Vietnam to keep on killing his compatriots. Perhaps Clinton should explain to us that Bosnia is not Vietnam, and to tell us why that is so."

Indeed, Bosnia is not Vietnam. Nor are Serbs communists, but in Clinton's opinion they could be Americans, while the Muslims, together with the arriving Americans could be — Vietnamese. There are even more combinations....

And all this is America! Only we, Serbs, remain Serbs. Come what may, as long as we exist....

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Official: Return of Serbian Refugees Not Expected

AU2412211195 Zagreb HRVATSKI OBZOR in Serbo-Croatian 18 Dec 95 pp 16-18

[Interview with Dusan Bilandzic, adviser at the Office of the Republic of Croatia in Belgrade, by "R.P."; place and date not given: "The Serbs Will Create a Myth Again"]

[FBIS Translated Text] [HRVATSKI OBZOR] Do you think that a real normalization of Croatian-Yugoslav relations is possible? In other words, is it possible that—after everything that has happened—these relations can go beyond the pure political and diplomatic framework?

[Bilandzic] I think it would be good to remind ourselves of the past. During the last 10 years, Milosevic has been the exclusive strategist of Serbian politics. His strategy has consisted of several alternative plans. One of them was to break all former Yugoslav republics and restore the power of Belgrade. That is why he created the all-Serbian nationalist movement in Serbia, and especially outside it. Having money and being supported by the League of Communists of Yugoslavia as well as by both the West and the East, he knew that he could do what he wanted with that nationalism. Compared to the other republics, this was a frightening supremacy.

Milosevic's intention was to expel Slovenia and two-thirds of Croatia from the Socialist Federative Republic of Yugoslavia and to create a greater Serbia with the rest of Yugoslavia. This is why he wanted to create the Cypriot situation in the UN Protection Areas in Croatia. This would have enabled him to annex them more easily to Serbia together with Bosnia-Herzegovina.

Regarding Bosnia-Herzegovina, it was calculated that the Serbs would resolve the matter in 10 days, but the intervention in that republic led to the introduction of economic sanctions against Yugoslavia in 1992 as well as to its total political blockade. Having recognized that the plan Virovitica-Karlovac-Karlobag [the western border of the proposed greater Serbia] did not work, he accepted the Vance-Owen plan for Bosnia-Herzegovina and the UN Protection Areas in Croatia in 1993.

Since then Milosevic had been leading the policy of saving what could be saved. Therefore he tried to stabilize peace, to rescue Karadzic's para-state with the possibility of its merger with Serbia, to prolong the UN Protection Force mission mandate in Croatia for as long as possible, to liberate Serbia from the blockade and return it to international institutions.

The Serbs from across the Drina River refused all his ideas and claimed that was a historic chance for the Serbs to create a greater Serbia, so that the Yugoslav Army should have taken the same attitudes as Karadzic and Martic. Milosevic refused this, because he knew that the danger from an international military intervention was great. This was the reason for his conflict with Karadzic.

And finally, the decisive military moments were the operations "Bljesak," "Oluja," and NATO's air strikes as well as the Serbian defeats in Bosnia. On the other hand, the economic situation in Serbia was more than difficult, which made Milosevic set his signature to the Dayton agreement.

I said all this in order to point out that Serbia really wants peace now. It is only natural that Milosevic requires concessions because of that peace, but he will further support peace, since—according to economic estimations—Serbia cannot reach the economic level it had before the war earlier than 2020. This situation forces him to look for a solution within the concept of peace and to return to international institutions, otherwise there is no rescue for Serbia. Normalization of relations with Croatia is of vital importance in that context. All roads to Europe lead through Croatia, and Europe insists on normal relations of Serbia with all of its neighbors, including Croatia.

[HRVATSKI OBZOR] Can you make a short commentary about the present Serbian political scene, especially its relations with Croatia and development of future relations?

[Bilandzic] Regarding the situation in Serbia, it must be said that Milosevic's rating dropped to one-third of what it was before the war, and the rating of the opposition dropped by two-thirds too, so that the Serbian political life is characterized today by a vacuum. In spite of that, Milosevic is still the most stable and powerful politician since people believe that he is the person most capable of pulling Serbia out from its present situation.

He has a far weaker opposition today than was the case in 1991, when tanks had to rescue his regime. People are very depressed, hopeless; they have no hopes for the future, they are frustrated and passive. Earlier, it was enough to hear that someone hit a Serb somewhere and demonstrations were organized; but today the same people do not have the power for any action, there are exoduses, and there is no response. There are still illusions and questions like: What happened to us?, Was this necessary?, Did it really have to happen to us?

The nostalgia for the establishment of connections, traffic communications first of all, or to see the seaside at least for a day; in a word, to establish any kind of contact is very big so that Milosevic will not have any problems in establishing relations with Croatia. If parallels can be drawn, things will probably develop

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the way they developed between Germany and France in 1945. In other words, catharsis can be expected, but it will not be easily reached. Although masses of Serbs from across the Drina River are leaving Croatia and Bosnia-Herzegovina, although around 300,000 young people emigrated to Western countries, and despite the military defeat, there are still people who will turn all this into a Serbian victory, they will shout that Serbs are a big nation and that the whole planet conspires against them. A myth will be created again. The catharsis will be slow, but it is inevitable.

[HRVATSKI OBZOR] The Serbs who fled from Croatia will be a special issue in the Croatian-Yugoslav relations. Since you were in Belgrade, how realistic is it that these people will start returning to Croatia in large numbers?

[Bilandzic] We would be the closest to the truth if we said that most of these people are completely lost. They have not been, and probably they must not be organized in Serbia, so they cannot fight as a relatively strong political and social group; they are paralyzed in their actions. A large part of them would be happy to live in minimal financial and social conditions in Vojvodina, Sumadija, Belgrade, but not in Kosovo. A large part of them, especially the Knin Serbs, would like to emigrate to either America or Australia, since they have good connections there since the times of the Priest Djujic [not further specified]. The nostalgia for the life and status they had in Croatia is great. They are completely aware of the fact that they have been sacrificed and betrayed. Older generations would like to return in spite of that, but not everybody. I do not think that a large number of people will return to Croatia.

TANJUG on Authorities' Views

LD2312163295 Belgrade TANJUG in English 1519 GMT 23 Dec 95

[FBIS Transcribed Text] Zagreb, Dec 23 (TANJUG)—Vice-President of the Serb People's Party (SNS) in Croatia Veselin Pejanovic said Saturday that Croatian authorities viewed with disfavor the idea of a massive return of expelled Krajina Serbs.

Pejanovic told a press conference in Zagreb that Croatian authorities were trying to make sure that only a very small number of Serb refugees would return before April's population census in Croatia.

About 250,000 Serbs were expelled by Croatian troops during the August military offensive on southern and northern parts of the Republic of Serb Krajina, whose territory was under U.N. protection at the time.

He called the expelled Krajina Serbs to settle in the region of Eastern Slavonia and Baranja (formerly U.N. sector east) and appealed to them not to do any harm to Croats, Hungarian and others who also wish to return to the region.

He said that Serbs could get a maximum political autonomy in the region—one of the former four regions protected by the U.N. and the only one that is still controlled by local Serbs.

Under the Serb-Croatian agreement signed on Nov. 12, the region is to be placed under international administration for at least one year and demilitarized.

Before Croatia's unilateral and violent secession from the former Yugoslav Federation, Serbs in that former Yugoslav republic accounted for more than 22 percent of the population, but now they make up less than three percent, the London Daily GUARDIAN wrote in September.

Another SNS leader, Milan Djukic, said Croatia should adopt a law on general amnesty because massive return of Serbs would not be possible without it.

During the Croatian offensive on the Serb Krajina, Croatian President Franjo Tudjman promised amnesty to local Serbs and offered guarantees of their safety.

However, courts in Karlovac, Gospic and Split in October sent to prison tens of Serbs who had surrendered to the Croatian Army.

Zagreb Archbishop Urges Return

LD2412145395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 24 Dec 95

[FBIS Translated Text] In his Christmas message the archbishop of Zagreb, Cardinal Franjo Kuharic, called on all people who had been evicted from their homes—including the Croatian Serbs—to return. He particularly stressed that the Croatian Serbs had to return and recognize Croatia as their homeland.

The church has on many occasions condemned hatred and revenge against the Croatian Serbs, Kuharic said. He added that people had left their houses and farms behind, and the fact that they fled does not deny them right of return.

Tudjman on Reintegration of E. Slavonia

LD2312194095 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 23 Dec 95

[FBIS Translated Excerpt] Croatian President Franjo Tudjman has held a special reception for academics,

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scientists, university lecturers, and doctors at the presidential palace. [passage omitted]

[Correspondent Blanka Jergovic] Croatian people of mind and spirit have contributed to the creation of Croatian freedom, democracy, and independence, and ensured unhindered development of our science, culture, and education, President Tudjman said.

[Begin Tudjman recording] Many people of mind and spirit who take part in historic events often cannot comprehend the full historic depth and the causality of the events in which they take part. This has been proved throughout history in general, and in our Croatian history, too.

This year we celebrated the fifth anniversary of the establishing of the free, democratic, and independent Croatian state. We marked the fifth anniversary with Storms and Flashes, which provoked admiration and astonishment throughout the world, the world—you are no doubt aware of that—which did not want to see Croatia independent and free, the world, which for various reasons strove to preserve the then Yugoslav community and prevent the creation of a sovereign Croatia. Even today—after everything we have achieved at the astonishment and admiration of the world, when they had to accept Croatia and when they understood that there can be no international order without a strong Croatia, Croatia that has become, as they say, a regional power—even today, they would like to harness our spirit, mind, and policy to work in the direction that we struggled hard to free ourselves from.

But I think that on the whole the Croatian people have matured enough never to allow this to happen again. Truly, with Flash and Storm, with the liberation of central Croatia and Knin, we have created preconditions for a safe future of the Croatian people and the Croatian state.

I believe that this year we will complete the liberation of the remaining inches of the occupied Croatian areas by peaceful means. We accepted this in order to avoid more victims and further destruction of our towns, and because—as always before—we coordinated the policy of our national and state goals with international powers, without backing down, but on the contrary, by achieving our goals in order to make a contribution to the overall peace efforts invested by world powers. [end recording] [passage omitted]

Butrus-Ghali on 'Massive' Violations by Croatia

LD2312145295 Belgrade TANJUG in English 1425 GMT 23 Dec 95

[FBIS Transcribed Tex] New York, Dec 23 (TANJUG)—U.N. Secretary-General Butrus Butrus-Ghali has accused Croatia of massive violations of Serb human rights and stressed a highly alarming position of Serbs.

In a report to the U.N. Security Council on Friday evening, Butrus-Ghali said that cases of human rights violations against Serbs in Croatia in the past few months were counted by thousands.

Butrus-Ghali criticized Zagreb of having done almost nothing to stop the killings and beatings of Serbs, and arson attacks on their properties, particularly those that had remained in the territory seized by the Croatian Army in its August offensive.

Croatian troops have committed or tolerated many of such crimes, while Croatian police mostly showed indifference, and in many cases took no step whatsoever to prosecute persons responsible for crimes committed during the military operation in Krajina, the report said.

U.N. officials in sectors north and south of what was then a U.N. protected Area in Krajina saw more than 150 bodies of killed people, many of them with bullet wounds in their backs or heads.

Sixty-four people in their 60s or older were killed in sector south alone, and Croatian authorties have still not provided access to records about persons buried in more than 750 freshly dug graves that the U.N. personnel discovered in August, the report said.

It spoke of killings, deliberate arsoning, massive looting, arbitrary arrests, beatings and intimidation of Serbs, as well as the prevention of Serb refugees' return.

There is a considerable discepancy between the number of perpetrators that have so far been brought to justice and the number of reported violations of human rights, Butrus-Ghali said.

Over 5,000 Serb houses have been burned down in the Serb Krajina, and not more than 11 persons have been charged as responsible for it, said the U.N. secretary-general. He said individual actions of plunder could be measured by thousands, while U.N. teams had received reports of hundreds of cases of beatings and intimidation of Serbs by Croatian troops, police and civilians.

Butrus-Ghali said 16,857 homes in 389 villages had been destroyed or damaged in one region alone, and added that the true proportion of arson attacks exceeded by far the figures presented by Croatian officials.

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Of the estimated 200,000 Serbs who fled Krajina and now live in Yugoslavia, more than 20,000 have expressed a wish to return home but many practical, legal and administrative obstacles stand in their way, Butrus-Ghali said. He said Serbs encounter the same problem in efforts to secure their property rights in Krajina.

Furthermore, over 700 Serbs have been detained in Croatian prisons without fair trial, Butrus-Ghali said.

Particular concern focused in the report on the position of the remaining Serb population on those areas, especially the old and the disabled, who suffer neglect and very little medical attention and are exposed to beatings and other forms of harassment by looters.

Thousands of Serbs were killed and about 250,000 forced to flee after Croatia's military onfensive on the southern and northern parts of the Republic of Serb Krajina last August.

The U.N. Security Council, acting on the basis of Butrus-Ghali's report, on Friday evening demanded that Croatia declare null and void all deadlines it had set to the Serb Krajina refugees for reclaiming their property, and condemned Croatia for massive violation of Serb human rights.

Human Rights Record Defended

AU2312155895 Paris AFP in English 1525 GMT 23 Dec 95

[FBIS Transcribed Text] Zagreb, Dec 23 (AFP)—The Croatian Parliament's deputy speaker defended his country's human rights record Saturday [23 December], a day after a blistering attack by UN Secretary General Butrus Butrus-Ghali.

Vladimir Seks, who is regarded as a close ally of President Franjo Tudjman, told a Zagreb daily that Croatia was "ahead of many countries on respecting human rights."

Butrus-Ghali stated Friday he was disturbed by abuses of Croatia's Serb minority and a failure to prosecute those responsible for hundreds of killings and arson attacks.

The UN Security Council also voiced "grave concern" that Zagreb had refused to lift deadlines given for Serbs who fled the offensives to reclaim their property, or risk losing it.

In an interview with the VECERNJI LIST newspaper, Seks said minorities were not only "individually protected like all other Croatian citizens," but also treated as a "group" in terms of their cultural and political rights. Croatian Serbs rose up in 1991 and seized three portions of the country. Many of the rights abuses detailed in Butrus-Ghali's report arise from offensives in May and August to take two of those areas. Croatian Serbs may lack passports needed to return, or be too fearful to do so.

UN military observers have been told of hundreds of instances of harassment and intimidation of Croatian Serbs by soldiers, police and Croatian civilians, some in paramilitary garb.

"There is a problem with the Serb minority, of which a large number have entered into open and armed secession from Croatia. It is therefore logical that they cannot hope to have favourable treatment compared to other minorities," Seks said.

Meanwhile Saturday, the archbishop of Zagreb, Cardinal Franjo Kuharic, urged all victims of ethnic cleansing in the former Yugoslavia—including Croatian Serbs—to return home.

In an interview with Zagreb's independent Radio 101, he sent a Christmas message to all those, "regardless of where they are from, who were chased from their birthplaces and have had no guarantees of return."

"The Croatian Serbs must return, but also must recognise Croatia as their country," he said.

"The Church has repeated many times that it condemned acts of hate or vengeance against the Serbs of Croatia. These people have their homes and possessions, and their departure does not deprive them of their rights to recuperate these possessions," Kuharic said.

Preparations to Negotiate Borders With Montenegro

LD2112174095 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 21 Dec 95

[FBIS Translated Text] The Croatian Government border commission's expert group for the identification of the border between the Republic of Croatia and the Republic of Montenegro held a session in Gruda in Konavli [southeast of Dubrovnik] today. The session was chaired by Stjepo Obad, the president of the expert group; the session was also attended by Hrvoje Kacic, the president of the government border commission.

The expert group is ready for negotiations to establish the border between the Republic of Croatia and Montenegro, which has been unchanged for the past 600 years, Obad told Croatian Radio.

[Begin Obad recording] We have established that this border has been unchanged and stable for the past

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600 years. We established the border junction between Herzegovina, the Republic of Croatia, and the Republic of Montenegro with a sufficient degree of certainty, which is identical to the border junction established by the Bosnia-Herzegovina and Montenegrin teams, which reached an agreement on that border in 1981.

With regard to eastern Herzegovina Serbs, and in the light of different expressions being used in public, we deem that they only have the right of transit, i.e. unhindered communication with the ports on the Croatian coast, not the right of access to the sea. [end recording]

Serbian 'Great Lies and Ultimatums' Condemned

AU2412182595 Zagreb VJESNIK in Serbo-Croatian 21 Dec 95 p 5

[Commentary by Ivkica Bacic: "If Croatia Remains Incomplete, There Will Be No Peace"]

[FBIS Translated Text] While expecting the UN Security Council to pass, by the end of this week, the resolution on Srebrenica that would enable (or disable) the Hague Tribunal investigators to visit the place where one of the largest massacres which the Serbs committed against the Bosnian Muslims took place, Vladislav Jovanovic, Milosevic's former chief of diplomacy and today charge d'affaires at the Federal Republic of Yugoslavia mission to the UN, has dispelled probably the last suspicion about the right address at which the perpetrators of that massacre should be looked for. But not only for them, because opening the Srebrenica "file" is evidence—the statements about it are as numerous as grains of sand—of perhaps the most shameful deal between the world power centers and Belgrade. Because of the Lucifer's agreement in Dayton, of course.

S, in New York Jovanovic accused the Army of Bosnia-Herzegovina for the tragedy of Srebrenica, having referred to the information he had received from nobody else but the "Bosnian Serb authorities," that is from Karadzic and Mladic, a criminal couple to whom only Serbia and Russia dare publicly offer (or promise, like Russian military attache Sipilov) hospitality. "Immediately on the eve of the fall of Srebrenica, a conflict occurred in the Army of Bosnia-Herzegovina between those who wanted to stay and fight, and those who wanted to surrender. The discovered bodies of the Muslims are victims of the internal conflicts," Jovanovic shamelessly wrote in his letter to Sergey Lavrov, chairman of the UN Security Council. It is not unnecessary to mention that a common cause is still being made with the "Srebrenica" resolution in that body, because the Germans demand the condemnation of the Bosnian Serbs, while the Russians would like the UN Security Council to speak generally on the occasion of the concrete case—by condemning all violations of human rights on the territory of former Yugoslavia.

A couple of days ago, the Italian news agency ADN-KRONOS "found out" that the Hague Tribunal is in possession of evidence which proves that Slobodan Milosevic personally ordered the conquest of Srebrenica, that is, that the Tribunal has his letter to General Perisic with the order to attack. The letter "arrived" at the Hague as early as the beginning of November, but Chief Investigator Goldstone did not want to make it public, and not because of the "interests of investigation," but because of the possibility that the already announced meeting in Dayton could fall into the water. It is not known whether this was done under the "mild persuasion" of the West, particularly the United States, but it is known that under the crucial influence of the United States, the "Butcher of the Balkans" of yesterday turned into the "guardian angel" and the major peace negotiator without whom, as President Clinton said after his allegedly "nauseous" handshake with Milosevic, there would be no Dayton agreements.

The shameless lies launched in New York by Jovanovic, which should screen not only Karadzic and Mladic (accused of precisely the crime in Srebrenica), but also the recent "good boy" Milosevic, should be, in the meanwhile, looked at like one of the pages in the post-Dayton book, the book which testifies about the once again swollen Serbian (self) confidence. Liberated from the international sanctions, encouraged by opinion surveys at home which proclaim him and criminal Mladic the most popular and the persons that the citizens of FRY trust most (Karadzic occupies the fourth place, behind Momir Bulatovic), proud because Chirac has publicly thanked him for the liberation of the two pilots, happy because exactly France hurried to ask the European Union members to return their ambassadors to Belgrade—is there anything else we should add, so that we can understand where his final refusal in the form of an ultimatum to recognize Croatia within its internationally verified borders stems from?

The Belgrade (and the fawning one, from Podgorica) ultimatum—without surrendering Prevlaka there will be no normalization of relations with Zagreb!—the ultimatum which perfectly fits into Butrus-Ghali's game around the Croatian east, is all too nicely Milosevic's invention. He is using it to provoke Croatia, but simultaneously repeats to his public that, here, the AVNOJ [Anti- Fascist Council of National Liberation of Yugoslavia] borders nevertheless are (were) administrative. Because Croatia will "lose" Prevlaka (that "strategically insignificant cape," as some Croatian officials and com-

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mentators have said), and cannot still reach its bank of the Danube anyway!

If those most recent Serbian great lies and ultimatums were not confirming anything else (but they are!), it would be enough that they warn us about the ancient experience: no diplomacy can achieve any kind of more significant results if it is not supported by a credible military machine. Therefore the Croatian threat to withdraw from the negotiations on disarmament is easy to understand. Because, it is easy for Clinton to shake hands with Milosevic "in the name of peace." It will be a bit more difficult for him to persuade Croatia to give up even a part of its territory "in the name of peace", to enter "the time of peace"—incomplete.

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Minister of Economy Discusses Privatization

AU2112164795 Skopje VECER in Macedonian 21 Dec 95 p 3

[Interview with Risto Ivanov, minister of economy and president of the Commission for Privatization, by S.M. Vankova; place and date not given: "Conflict of Different Approaches"]

[FBIS Translated Text] After the long discussions at the government's session two days ago on the implementation of the law on transformation of state-owned enterprises, we asked Risto Ivanov, member of the government, to tell us about the reasons for the reshuffle of the head of the Privatization Agency. We also asked him about the problems in the implementation of privatization as the cornerstone of the reforms, about some speculations on the alleged conflict between the Liberal Party and the SDSM [Social Democratic Alliance of Macedonia] in the government, as well as some key economic questions.

[Vankova] How long has the communication between the Commission for Privatization and the Privatization Agency been burdened and what are the reasons for the tension in the relations?

[Ivanov] We cannot talk about tension in the relations between the Privatization Agency and the Privatization Commission. I myself was surprised to see that the government's information has taken this course. I opened a debate in the sense that the government is the one that must have a full picture of the process of privatization in the country. According to the Law, the Commission does not have any such authorities; it only has the right to monitor the process until actual transformation begins. All other matters are within the framework of the Agency, the government, and the assembly.

This is why the Commission indicated that the steering committee of the Agency must inform the government about certain matters as a commitment to the government, and that was all that happened at the government's session. It is totally wrong to say that it had something to do with the Commission-Agency communications.

I believe that the government must be fully informed about the implementation of the law and the elements in the law concerning the course of the process up to now and the problems that will follow after the breaking of the deadlock. I indicated the following: Has the government been monitoring the process sufficiently, has it been properly informed, and does it intend to manage this process, which represents a cornerstone of the reforms that are proposed by the government, or does it intend to let the things go the way they have so far?

[Vankova] The information uncovered that the problem lies in the bad relations between the president of the Commission and the director of the Agency. Has your relationship with Mr. Sukarov [director of the Agency] contributed to the deterioration of the privatization process, particularly in the sense of publicity?

[Ivanov] I think that there had been different approaches. First, I believe that everything that the Agency, the Commission, and the government were doing on the plan of privatization had to be publicly presented. Second, each one of these subjects, that is the Agency, the Commission, and the government, does not have the exclusive right to make decisions. This is the reason why, since my coming to the head of the Commission, every matter was clearly shaped to the maximum. Even the fuss in connection with "Makedonija Sport" [a company in the process of privatization] was made thanks to the Commission when it assessed that the law must be strictly respected and that the problems should be solved in another way and not with urgent solutions. So, it does not have to do with any personal conflicts, but with different approaches toward the goals of the law, how quickly it should be done, and which effects should be achieved. I do not say that the Agency has not made its own sublaws, but I claim that the government must be familiar with everything that is connected with these sublaws.

Unprofessional Claims

[Vankova] The government has a special relationship toward state-owned capital and it is true that this matter was the least mentioned in the process of transformation up to now.

[Ivanov] The steering committee of the Privatization Agency, that is, its director and professional services, can tell us much more about this. It is necessary to make a review in which this capital will be identified and the decisionmaking procedure defined. We should not think of starting privatization wherever 51 percent of state-owned capital is registered.

The first and basic goal of Article 1 of the law on transformation is that the owner must be identified.

This is one of the preconditions for effective economy, but it is not the only one. In order to provide for efficiency, it is necessary to have regulated relations on the market, regulated property trade, regulated valuable papers trade, regulated relations in investments and credits, regulated financial system, and so on. So, the transformation is a precondition, but not a condition for effective economy.

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Second, economic efficiency is not valued in the enterprises, but on the market. The buyer does not care whether the product that he is buying was produced in a private, state, limited, or associated enterprise. We must not unprofessionally claim that the goal of this transformation is to provide for efficiency.

[Vankova] You are the president of the Commission for the restructuring of the 25 biggest lossmakers. Have you managed to incorporate these companies in the total privatization trends in the country and in the state's obligation toward the World Bank to present a total of 791 privatized companies by the end of the year?

[Ivanov] According to the plan, the organization and financial restructuring of these companies ended on 15 December and now, instead of 23, we have 123 legal subjects. We expect new divisions to occur in the course of their privatization. We expect to have 130 private companies. It is a fact that with the law on restructuring we have practically accomplished the transformation of state-owned capital. For the majority of these enterprises we already have the names of the owners. Court verification of their transformation depends on the model that they will choose, whether they will privatize it, cede it to the Agency, sell it to workers, or something else. The owners will have the right to management.

In the completion of the transformation there is the obligation to define the future of the remaining state-owned capital; the government will have to decide on the state-owned shares. We more or less know that banks will be managing two of these enterprises, two will be managed by the state, and as for the rest of the companies, it is necessary to provide a cooperation among all trustees.

Conflicts Exist

[Vankova] Finally, we must turn all this situation to political waters. There have been some rumors and half-truths in the last few weeks about a conflict between the Liberal Party and the SDSM in the government, and in the last week there was speculation that the reason is linked with privatization. Is this true and has it been settled now after the reshuffle in the Agency?

[Ivanov] Apparently we say it is a conflict even when it is a matter of different opinions. If this is so, then yes, there was a conflict. However, (and I now speak from the position of minister of economy and not as a liberal) I have never presented an opinion that has not been backed by real information. This means that my opinion was presented within the frameworks of democratically defined institutions and as long as we discuss with arguments and within these frameworks, I do not see the reason why it is qualified as a conflict between two political parties. Actually, the reason for the formation of these institutions is exactly that, to confront different opinions.

[Vankova] The conflict, or as you say the different opinions, seems to have appeared in connection with the adoption of the budget for the next year. What were your remarks?

[Ivanov] First, I had reservations in the sense that we need longer discussions, because I was not directly involved in the creation of the macroeconomic policy for the next year. So, I play the role of an executor. My second remark was that I believe that we must first decide on the macroeconomic policy for the next year and then discuss the budget, and not vice versa. I also asked about the percentage with which the budget will participate in the planning of the gross product and the percentage of the planned budgetary deficit. These are the key parameters on which basis we can follow the achievements year by year. I did not receive answers to these questions. I also asked about the public consumption because it is growing every year. I here have in mind real growth, and it is a different matter whether the costs are real.

If the Assembly has a special program for the distribution of financial means that are obtained from privatization, why are the gains from privatization budgetary assets? I had another remark about the stimulation of exports with the aim of promoting it. My last question related to the budget was to whom do we owe about $78 million that is incorporated in the budget for next year. I did not receive answers to all these questions, and therefore I conclude that there had not been different opinions. I intended to say that we have to increase stimulation for exports, but I gave up the idea.

[Box, p 3]

Speculation

[Vankova] What is your comment on the speculation which says that, after the reshuffle of the director of the Privatization Agency, the tension between the liberals and the SDSM in the government has been relaxed?

[Ivanov] As I said, I do not think that there had been any conflicts at all. Second, I cannot accept that everything that has happened is a result of personal confrontation between me and the director of the Agency. It is only a matter of different opinions about the implementation of the law, and there had also been some speculations about my reproach to Mr. Sukarov about the privatization of the Gevgelija company "Noel." I ask those who

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speculate with my shares in "Noel" to bring them to light so that I can make them a present.

[Box, p 3]

Dividend

[Ivanov] The function of the Agency is operational and not political. The Agency was formed to abide by the laws. On the other hand, we must take into account the fact that the Agency will have a fixed dividend of 2 percent of the shares before they are sold out. So far, $100 million in shares have been calculated, which means that the Agency will be receiving about $2 million in dividends per year. Somebody has to monitor this. It is totally wrong to avoid discussions about all this. Ultimately, the government agrees that it is necessary to discuss these matters now and not when it becomes too late.

Post-Sanctions Prospects for FYROM Economy

LD2612105495 Belgrade TANJUG in English 1043 GMT 26 Dec 95

["Ecopool" item, by Mladen Stancic]

[FBIS Transcribed Text] Skopje, Dec. 26 (TANJUG)—The suspension of anti-Yugoslav sanctions has at the last minute opened good prospects for the economy of The Former Yugoslav Republic of Macedonia (FYROM).

Before the three and a half years of sanctions, Yugoslavia accounted for more than 60 percent of the overall Macedonian exchange and as much as 80 percent of transportation unfolded by way of Yugoslav roads.

The two economies, which are complimentary, had long-standing ties, which were forcibly severed due to sanctions. As officially assessed in Skopje, the damage thus sustained in the impoverished and exhausted Macedonian economy, due to observance of anti-Yugoslav sanctions amounted more than 3 billion dollars.

Now when sanctions were suspended and northern and southern routes opened, the Macedonian economy, experts say, was given the opportunity to take the reins of its fate in its own hands.

Macedonian businessmen, however, have faced scorn by the media over their alleged rash rush into the hands of Serbia.

In conditions when Macedonian newsmen were oftentimes more scrupulous than the international monitors at the Serbian-Macedonian border-crossings, it was not surprising there was malicious 'I-told-you-so' reaction after Yugoslavia introduced a full customs regime also towards Macedonia.

There were a number of realistic journalist reactions that 'when emotions calmed down and common sense was restored the truth would emerge that the existence of customs between the two neighboring countries was quite a normal matter.'

FYROM Economy Minister Risto Ivanov assessed that the Yugoslav move was quite normal and expected. He, however, criticized Macedonian managers for failing to engage more readily over the past few years in finding alternative markets, expecially among the countries of the European Union, instead of relying only on the Yugoslav market.

Managers of the largest Macedonian enterprises, however, under newly-created conditions share the assessment with Yugoslav colleagues that possibilities for full economic exchange should be used to the maximum, for which government backup, bilateral treaties, agreements, adequate payment operations regulation and legislation...was still lacking.

Socialist Party Leader Approves State Policy

AU2112174595 Skopje VECER in Macedonian 21 Dec 95 p 8

[Interview with Blagoja Filipovski, vice president of the Socialist Party of Macedonia, by Branko Geroski; place and date not given: "They Wanted To Burden Us With Mortgage"]

[FBIS Translated Text] The present suspicions of a possible clandestine plan for Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in the peace arrangement in Paris are unjustified in the opinion of Blagoja Filipovski, vice president of the SPM [Socialist Party of Macedonia].

[Filipovski] I personally believe that signing the agreement in Dayton, as well as the previous activities aimed at normalizing relations between the Republic of Macedonia and the Republic of Greece, will greatly contribute to the stabilization of the overall situation in the region. Considering Macedonia's official membership in important international institutions and organizations, I am convinced that the dangers of some secret agreements have been eliminated to a great extent. We need an active position, as we used to have on the international level, with the aim of completing the activities already begun. Here I have in mind the mutual recognition between Macedonia and the Federal Republic of Yugoslavia [FRY]. We believe that this mutual recognition will be accomplished soon, and thus the tensions that were present in the relations will be eliminated.

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In Principle—With All

[Geroski] What about the question of succession to former Yugoslavia?

[Filipovski] Normally, the question of succession will remain opened. We in the Socialist Party are convinced that the Republic of Macedonia has the right attitude in this regard, and we believe that there is no need for any deviation in this sense.

[Geroski] After the suspension of the UN embargo against the FRY, after opening the northern border and the new FRY customs policy, a number of Macedonian economists, and even some political circles, seemed to be disappointed. What is your opinion on this?

[Filipovski] I am not sure that it has to do with disappointment. I believe that these measures, which are now mutual, do not benefit the economies of the two countries, first of all because of their structural link from the period of the former Yugoslavia. However, what is done is done—we are an independent state and we will behave in such a way in solving these problems. I think that the measures of the Macedonian Government after the new FRY customs policy are completely justified. Now we have to sit down together and solve the problems through discussions.

[Geroski] It is a known fact that your party has, on several occasions, had contacts with the Serbian Socialist Party, and some observers conclude that you are precisely the ones who favor the direction toward the north.

[Filipovski] First, to avoid any dilemmas, I will say here exclusively that the SPS [Serbian Socialist Party] invited the SPM to pay it an official visit, which we accepted with pleasure. In mid-January a high-ranking delegation of our party will travel to Belgrade. The SPM has been having direct contacts with a number of parties in the region for a long time, first of all, with (Sinaspismos) in Greece, with the socialist parties in Bulgaria and Albania, and with the socialists in Serbia. We are fully convinced that these contacts are in the interest of the policy that is conducted by the present authority in Macedonia. We respect the principles upon which we have agreed on the level of coalition—equal cooperation with all. So, these remarks are unjustified and are not backed by any program determinations or direct activities of our party.

Ready To Discuss

[Geroski] Macedonia is officially discussing with the Greek side the differences related to the name, and some suspect that these discussions have already been or can be turned into negotiations.

[Filipovski] The view of the Socialist Party on this is crystal clear: There can be no negotiations on the name. I believe that nobody from the outside can impose a name on us, and our name will gradually prevail in the communications. Time is on our side, and in the numerous contacts that we have had, Macedonia was called by its name.

[Geroski] In some political circles there is the opinion that, at the moment, Macedonia is faced with a slowdown in the democratic processes. Do you share this opinion?

[Filipovski] I do not share this opinion at all. If the present opposition partners had not decided to withdraw from the second election round, we would have had a completely different situation in parliament. So, it has all come as a result of their withdrawal. On the other hand, it is totally true that a stronger opposition is needed in parliament. I personally believe that the future elections will make the presence of a more numerous opposition grouping possible, which will provide a check on those in office. This is necessary, but we cannot talk about a slowdown in democratic processes; I absolutely reject such an idea.

[Geroski] Are you as a ruling party ready to discuss with opposition parties outside parliament the possible creation of conditions for their participation in the coming elections?

[Filipovski] Yes. We are ready to discuss this.

[Geroski] Does this mean that there are subjects that can be discussed, that there were some inconsistencies in the election procedure?

[Filipovski] Some inconsistencies were registered during the second parliamentary elections, and even we, the ruling parties, felt them. Nevertheless, I believe that with the adoption of the new election laws the issue will be fully regulated. We will create conditions for elections, as we actually had, to eliminate some weaknesses, first of all in the electoral lists, as well as some other technical conditions. The opposition parties must also give their opinions on this, and this is what I meant by expressing readiness for discussions.

[Geroski] It appears there is serious discord in the coalition. It is known that some time ago you were at odds with the liberals, and recently the liberals started a public debate with the social democrats. What is your present position in the coalition?

[Filipovski] I will openly tell you that the Socialist Party agreed to join the Alliance for Macedonia at its own expense. In the division of power we received the smallest number of seats. However, we assessed it as a

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contribution to the creation of a stable parliament and a stable government, which will adopt the key laws that could not be adopted in the former parliament because of relations among the groups present. One of the parties of the Alliance did not want the SPM to be included in the coalition because of its hidden intention (it was later publicly manifested) to have a party that was formed from the previous social political organizations outside the Alliance to impose debts from the past on it. Our party was chosen for this. As for the attacks by the Liberal Party, we came out in public with our views, and I will reiterate that their attacks are groundless. We are not satisfied with the treatment of the SPM nor with the ruling political party, the Social Democratic Alliance, concerning relationships within the coalition. However, we are trying to solve this with direct contacts, without including the public. I think that this situation has to be cleared up to find the bloc that will fully support the government. Matters of this kind are unknown in the world—a party with four ministers simply abstains from support to the government.

[Geroski] Is it true that your party is negotiating or holding discussions with Vasil Tupurkovski with the aim of making him president of the SPM?

[Filipovski] I personally am not aware of such contacts. However, our party is engaged in the completion of the statute that will create conditions for the election of the new president. We expect these activities to be accomplished by mid-January. On the other hand, the SPM is fully open and we will make efforts for electing a man who will meet the wishes and requests of the members and supporters.

[Geroski] Nevertheless, in his last public address, Tupurkovski confirmed that there are such discussions.

[Filipovski] I did not hear this statement directly; somebody told me. I do not have any particular commentary on this matter, because it obviously has to do with personal contacts.

[Geroski] Can this be the reason for the coalition partners sort of intolerance toward your party?

[Filipovski] I do not think so. Whatever issue we discussed now was also present at our congress and some time after. As far as the Alliance for Macedonia is concerned, it is worth mentioning that the Social Democratic Party recently submitted its application for joining the Alliance for Macedonia. Our party has accepted this and believes that it is perfectly all right for parties that have similar determinations to be included in the Alliance. As far as I know, they also received a positive answer from the SDSM and are now expecting an answer from the Liberal Party. Conditions for enlargement of the Alliance for Macedonia are being created, but it is necessary to sit down at the table and make an attempt to overcome some misunderstandings.

Differences Within Alliance for Macedonia Noted

AU1912182895 Skopje MIC in English 19 Dec 95

[FBIS Transcribed Text] The party alliance between the Social Democrats, the Liberals and the Socialists, as it seems, is entering a new phase. The petty bickering, disagreements and different opinions on certain issues are slowly giving way to the serious statements that nevertheless, something is very wrong in the Alliance for Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

The statements are coming from the highest party circles, so the public is right in asking—if and how from now on?

The fall wave of misunderstanding came with the announcement from the Liberal Party which pointed out to the public that this party, i.e. members of its leadership, is the only one to thank for the maintained stability in the country following the assassination attempt on the President of the state on October 3. Without commenting the announcement, the Social Democrats said that if their partner did not like being in the coalition, he was free to leave it at any moment. In parallel with this, the most powerful and influential party in the Alliance for Macedonia, the Social Democratic Alliance (SDAM) slowly spread the (hypo)thesis that they were the leaders in the political block—and that there is room for other parties?! On the other hand, judging by some announcements coming from the party centers of the opposition, the Liberals decided to contradict these tendencies by becoming closer political buddies with the opposers to the coalition.

According to some political analysts, the latest bickering in the Alliance for Macedonia comes as a logical consequence of the misunderstanding that has been lasting for more than a year. The first signal came upon the constitution of the Government. The Liberals insisted on such a concept that would enable the departments in which the controlling functions of the state are concentrated not to go to the same party. The fact that this was not accepted, as well as some other circumstances, led to the second coalition partner and participant in the power not to vote in favour of the Government. The second scandal took place upon the demolition of the discotheque "Hard Rock," whereby the Liberals accused the Social Democrats of being connected with the underground. This was followed by the affair with the election money and the accusation that the Social Democratic Alliance took the

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money, which, according to the elections results, was supposed to go to the Liberals. The strongest and most direct criticism came from the stand at the Congress of the Liberal Party, when it was pointed out that the Social Democratic Alliance was using privileges, at the expense of the realization of the political program of the Liberal Party. The Socialists were not exempt from the criticism as well. The little scandal with the failure of the Liberals to attend the highest gatherings of the Socialist Party was only an overture to the public roll-call that followed a while later, in which the Socialists, in cooperation with the Social Democratic Alliance, were pointed out as parties deviating from the political course of the Alliance for Macedonia.

In the end, there is also the Declaration on the apology of the MPs to those who were politically repressed in the period of one-mindedness, proposed by the Liberal Party, which, due to certain disagreements in the text, is still not parliamentary institutionalized. According to all estimates, this Declaration will get lost forever in the labyrinth of the inter-party squabbles and games between the SDAM and the LP. All of this should be added to the fact that the Liberals are feeling cheated that their initiative was not accepted for the three parties to form a joint parliamentary club where they will impose and "cleanse" their party views, instead of appearing separately in Parliament.

What are the chances of overcoming all the misunderstandings and having the leading political block in the country function again in accordance with the agreement it made back in the pre-election period, is probably a question the members and sympathizers of the three parties are asking, as well as the voters who gave their votes for them at last year's elections. And finally, being aware of their differences, the highest party circles were the first to launch the idea, which was then unanimously supported, to prepare a joint platform on government and parliamentary activities. However, due to a line of reasons, although the idea has been discussed for some time, its practical realization is still far from becoming reality. Or, on the other hand, a joint platform is being avoided out of reasons that only the strategists from these parties know. Whichever of these options is in the game, one this is for sure: they will have to come out at the upcoming local elections with settled accounts.

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President Kwasniewski Delivers Inaugural Address

LD2312152795 Warsaw TV Polonia Network in Polish 1229 GMT 23 Dec 95

[Inaugural address by Polish President Aleksander Kwasniewski at the Sejm building in Warsaw — live]

[FBIS Translated Text] Mr. Sejm Speaker, Mr. Senate Speaker, ladies and gentlemen deputies, ladies and gentlemen senators, fellow countrymen who are now with me:

I would like to say that it is difficult for me to hide my emotions. I think it is quite natural at a moment like this. I am immensely happy that I could assume the highest office in Poland in front of the National Assembly and before you, because I would like good cooperation between the president and the Sejm and the Senate to become a new symbol of the years that are ahead of Poland. I would like a cooperation that produces good results for Poland and the Poles.

I am especially moved because, as one of you, I can take the presidential oath, since this was the nation's will expressed in democratic elections on 19 November. [applause]

I remember many dramatic moments and discussions which we have experienced together in this chamber, and I know that today, too, everything linked with the presidential elections arouses emotions. I know what a great responsibility the president — and you too have, dear ladies and gentlemen — for there to be fewer emotions and more common sense, fewer conflicts and more agreement, fewer divisions and more partnership. I ask you for this today, in the first moments of my presidency. Let us work in just such a manner.

There was a drastic question here: To whom does Poland belong? Today, I want to say, in my name, in the name of the president of the Republic: Poland cannot be appropriated by anyone, neither by the rich at the cost of the poor, nor by conformists at the cost of nonconformists, nor by those from large cities at the cost of people from the countryside. Poland is a value held in common. I would very much wish, although I am aware how difficult this will be, that the slogan that accompanied me in my campaign, A Poland in Common, becomes a fact.

I will make every effort to build this common Poland with you, dear ladies and gentlemen, and with everyone in Poland who wants to think and work in this way. I treat this as my greatest duty, my biggest effort, which I will tackle from the very first day. In this I count on a dialogue with the forces of the opposition, with people who did not vote for me, with people who have doubts — because they have an absolute right to doubt — and with everyone who wishes to enter such a democratic and pluralistic order in democratic Poland, and who wants to cooperate, in order to face the clear challenges and problems which we face.

I would wish, and I will do everything, for a Poland in common, where we do not blur divisions, where we do not blur differences of view, to become a fact. That is my sincerest obligation in relation to all those present and all my countrymen. [applause]

I would also wish to tell you that the question where is Poland is inappropriate, whether it is here in parliament or whether it is outside it, whether it is shaped by moods, emotions, or the media. That Poland is everywhere. The point is that we not strive to unnecessarily, additionally divide it, that we not raise the temperature of those emotions that are the natural state of every society in a period of changes, in a period of the making of choices, in a period of expression of views on matters. I thus harbor the hope that parliamentarians will understand perfectly that this Poland consists of millions of people who have taken part in democratic presidential elections, and those who have not taken part, and those who voted for Aleksander Kwasniewski, and those who voted for Lech Walesa, and those who had other candidates of their own in these elections — all of this is Poland. We bear responsibility, together, for this Poland of ours. I want to request that in this responsibility there be joint activity between us, there be cooperation between us.

In five years time, the 20th century will come to an end. We have entered this dramatic century in foreign slavery, without any real hope for the rebirth of our own state. At the cost of countless sacrifices, through the work and the foresight of generations, through the strength of armed action, the liveliness of national culture, we overcame the hindrances that history did not spare Poland and Poles.

Today, thanks to the democratic will of the electorate, I am taking on the noble office of president of the sovereign Polish Republic. This is a great responsibility that I accept on behalf of nearly 10 million adult Poles. I know that difficult tasks are ahead of me. The wounds of the last 50 years have not yet healed. However, it is necessary to open a new page sometime — not in order to wipe out anything from the past, but in order to let Poland catch a breath and take a bold look to the future. This is my fundamental goal.

One must not treat those who paid for their convictions with loss of freedom the same as those who condemned them to imprisonment. Crimes have to be punished in accordance with the law. The lasting achievements of the honest lives of millions of people must be saved from disparagement and insult. Errors have to

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be analyzed and condemned — irrespective of who was responsible and on which side of the barricade these errors were committed.

The final, perhaps the most difficult chapter of our history, was written in the eighties. It was authored by people of various orientations, different traditions and background. Those people, aware of the sad lessons of our history, were the first to be able to raise above the common dislikes and memories of injustice.

I express appreciation for my predecessor in the office of the president of the Polish Republic. I trust that my opponent in the recent election will give clear proof of his attachment to the ideals of democracy. Let us not allow the divisions that were so sharp in the generations of our grandfathers and fathers to burden endlessly our common future. The young Poles who will take part in elections in 2000 were born when martial law was being declared. Let them be acquainted with the honestly presented truth of our complex history, including everything that was great and that was despicable.

I believe that we can overcome divisions, that we can look for whatever it is that unites the Poles and organize the Poles for the great and necessary deeds.

It was said once that things could be done for the Poles, but never with the Poles. This is not true. The reconstruction of Polish life can only be continued by listening to the freely expressed voice of the people, the people not disturbed by the noise and insults of politicking. I will listen to the voice of the people with the greatest attention and will respect what my countrymen, what millions of people in Poland, think and suggest for our common good.

Ladies and gentlemen, enormous challenges await us in the coming years. It was once perhaps easier to build in open fields than, as today, to patiently reshape that which has already been built. Between the Oder and the Bug there exist, one might say, two Polands. The first one is modern, aware, educated, capable, and is already today arousing the authentic interest of Europe and the world. Alongside is the second one: a land of poverty, humiliating unemployment, renewed illiteracy, underdeveloped civilization, worsening conditions for a start in life, badly paid teachers and doctors, poor culture, and neglected science. I do not take on the post of president in a country flowing with milk and honey, but I also ask that I not be given remedial lessons in patriotism. I grew up here, I am a child of the Polish regained territories [western and northern Poland], I know I am a man from a country with many disappointed hopes, unfulfilled promises, bitterness, and doubts. I also want to say that, with all these weaknesses, we have no cause for sadness or frustration, for no one is capable of questioning the enormous achievements of the last six years. No one can honestly deny that Poland has in recent years changed and today stands before great opportunities. For this, everyone who carried out this great breakthrough and who showed such enormous patience, ability in their work, can have a feeling of satisfaction, pride, and I express to them words of the highest appreciation. [applause]

Let us thus not surrender ourselves, ladies and gentlemen, to the emotions associated with the elections, the campaign, with all of that which is characteristic of the raised temperature of the recent months and weeks. Let us not allow bitterness, anger to take away our ability to think about the challenges of the future. It is possible to get offended by the present day, under any pretext, under any banner, but he who does, however, get offended at the future offends himself at the coming century and will be guilty of those same sins against Poland that were committed before the First Partition [1772].

I say from this rostrum that I am ready to take upon myself, within the limits of the Constitutional powers of the president of the Republic, responsibility for that part of the process of bringing Poland into the European structures, which will fall during my term of office. I regard this as a great task for me and the whole generation, which is linked with this very idea: that Poland should enter the European structures, should become a part of that world which was inaccessible for us until recently, and which today can be our partner on the basis of equal rights and in accordance with the standing of Poland — a 40 million-strong nation in the center of Europe.

We are not joining these structures empty-handed. Poland is stronger now thanks to transformations of the recent years. The growth rate of our economy is appreciated in the world. We managed to enter a new civilization of information. But this is only the beginning. We are only making the first steps in many fields that require changes, transformations — often very difficult.

Polish agriculture is one of those areas that will require a great, joint effort. The legal system requires the same, the adaptation of Polish legal structures to European principles and norms. Education will also require this, the health service will also require this. Social policy, the reform of which is perhaps the hardest but is an indispensable task that must be undertaken in the coming weeks, will also require this. In the face of these challenges, the challenges of the future, I address the Polish intelligentsia, people with open minds, and to people of enterprise, to creative people — an enormous

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responsibility rests on them, to link Poles in such transformations, to propose the best solutions, and above all to overcome the fear of tomorrow and of those costs that will have to be borne on this road.

Let us also not waver in appealing to tradition, tradition and practice, the resourcefulness of Poles, demonstrated more than once; the people who have created the foundations of industry, the foundations of Polish science. Let us hold in our memories the creative ideas of Stanislaw Staszic, Eugeniusz Kwiatkowski, Edward Lipinski, and Oskar Lange. Let us reach for the legacy of those who saw the first guarantee of our independent existence above all in the civilization progress. They were right at the time and they are also right now. They deserve gratitude and respect, just as those heroes who gave their lives for Poland.

Ladies and gentlemen, I am a man of the Polish left. It has grown and grows from hurts, from the struggle for justice, from the struggle for national freedoms and the rights of man. They were also fought for by Jozef Pilsudski, one of the founders of the Polish Socialist Party. Today, the Polish left, wider through the many experiences of the many recent years, stands on the side of the weak, not to deceive people with utopian visions, but to cocreate a state of law and equal opportunities, respecting the dignity and aspirations of every free human being.

Through the strength of politics, common sense, and readiness for compromise we can construct a lot in Poland. Democracy is above all a system based upon the cooperation of citizens of various views, often with mutually contradictory interests. Without the readiness for such cooperation, democracy can be an empty word or else out and out destruction. I am convinced that the people of the left and you, ladies and gentlemen, who sit in this chamber, will do everything to avoid for even a moment any doubt as to the development of Polish democracy, its strengthening, if only through the necessary adoption of a new constitution, so that there will not be any doubts about democratic intentions and the level of determination in the construction of a democratic state of law. [applause]

Ladies and gentlemen, in a democratic state of law all activities are to serve the reduction of tensions, the reduction of conflicts. I am convinced that a great role in support of accord ought to be played by relations between the state and its structures and the churches, and especially the Polish Catholic Church, the Roman Catholic Church. I would wish, independently of all the words that have recently been uttered, to say that cooperation is necessary, a dialogue is necessary. A serious discussion is required about Poland and the challenges that accompany us over the coming years. I hope that this dialogue will be possible, that in it we will depart from emotions and will consider how relations between the church and state structures ought to look in a modern, democratic state of law, recognizing the identity of each of the sides, and also acknowledging all freedoms, all the rights which both a citizen and a believer or unbeliever ought to have in such a state. I want to express respect for all the people of the church who, like Primate Stefan Wyszynski, think of the overriding interests of our mutual state. I would also like to avoid any doubts about the fact that on the road of confrontation, on the road of the stirring up of emotions, we will not achieve anything, and that I will oppose precisely such activities.

Ladies and gentlemen! I would like to present from this rostrum the principles to which I want to adhere in serving the country, and the goals whose achievement I think to be the most important.

First, in the choice of my colleagues, social advisers, in political practice, I want to be guided above all by qualifications and not party membership. I intend shortly to set up a National Security Council, which, bringing together outstanding personages in public life with varying political backgrounds, will tackle the most important problems of the state; and I will regard its opinion as significant, influencing the president's decisions: This will be the only council operating in the president's circle, so as not to succumb to the temptation to create facades, whose work the president and his office do not use.

Second, I intend to introduce permanently into Polish political practice the principle of negotiation and dialogue. I am convinced that confrontation is a weak weapon, and I have the feeling that we have recently had sad proof of this. Those people who represent both the social base and the programs that can be accepted in such a dialogue, in such a confrontation, because of their force and intrinsic worth, can afford such a dialogue.

Third, I want my presidential term to go down well in the memory of contemporaries, in the history of democracy, as effective, pragmatic, and rational. For that reason, the doors of the palace will be open to citizens, to everybody who has an idea about what we should do in Poland. It will never again be an ivory tower, in which the court hides and where decisions are made. [applause]

I think that the president should in the months ahead of us, first and foremost, tackle a radical improvement of the external and internal security of Poland and the Poles. We must not be, ladies and gentlemen, the first

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generation that lives in a sense of external stability, and at the same time, the first that has a sense of instability and fear in the city streets. External security is primarily Poland's participation, Poland's presence, Poland's membership of the North Atlantic Alliance. I have made many unequivocal and clear-cut statements on this issue. I uphold them from this rostrum. As head of the Armed Forces of the Republic, I will not neglect anything that can truly serve to modernize the country's defense system. In this respect, there must be no ambiguities, and I am convinced that Poland's aspirations to find itself in the North Atlantic Alliance will be met in the not distant future. This is not exclusively a question of security guarantees for Poland: It is also a matter of the new Europe, a Europe that is undivided and a Europe with which we seek cooperation and conduct a dialogue, not recreate the old divisions and introduce new ones.

I wish to assure our neighbors, with whom we have for centuries shared the good and bad pages of history, that the independent Republic will never be a threat to them.

Growing crime in the country demands decisive actions, and I will support such actions, both in the sphere of the creation of laws and in particular proposals that will be taken up by government and state bodies.

Second, I wish to give assurances that, for the economic growth which is our greatest opportunity to be maintained, for us to be able to take advantage of that which has been bought at great social cost, but which today constitutes our passport to a new Europe, I am a decided supporter of that which favors the economy, stabilizes the currency, which strengthens positive developmental tendencies. And to that extent, all those who wish to go along that road will obtain the requisite support.

Poland needs foreign investments, for they too can accelerate technical changes, civilizational advance. I thus invite all those who are willing and would like to locate their capital in Poland and obtain the benefits due to them to do this. Poland is a stable country and Poland will be a stable country. Poland is an open country and remains an open country. Poland is a country whose developmental dynamic will not be slowed down. Poland is a state that guarantees the best possible contacts with all partners, and is thus an attractive place to both situate capital and to carry on economic activity.

Third, I would like to energetically support the reconstruction of the Polish countryside. I do not want to promise any visions that are not in accordance with the rigors of the market economy, but I promise Polish farmers that they will have a supporter in me where the costs of these transformations are concerned, where the point is... [applause] Where the point is to find the solutions that are appropriate to this modernization.

Ladies and gentlemen, lady and gentlemen deputies and senators, my countrymen: Poland is changing enormously. And we have not wasted recent years. And I say this to everyone who has since 1989 taken up in Poland the tough responsibility for decisions, for changes, for reforms.

Today, we face the next stage. It is neither an about-turn nor a revolution; neither is it a retreat. It is still the way ahead. The reforms chosen in 1989 are accepted by Polish society and the election results confirmed this. So today we must take the next vital steps together. Poland must be a state governed by law. Polish democracy must be more stable, not rocked by unnecessary sensations or actions that disturb its internal logic. There must be a Poland where power is more in the parishes, the small towns than here at the center. There must be increasing fields in which society can be active, for this society has shown over the past six years that it is sensible, responsible, mature; and I would like to thank all Polish men and women for that, too. Your patience, your wisdom, your caution is the greatest asset Poland has today in face of both what is happening here and of our European aspirations. [applause]

I would like this activeness to apply to young people as well. This is an enormous capital, which if it does not have the possibilities to express itself at work, in education, may be irrevocably wasted. I ask you therefore to cooperate, so that we can find a worthy, proper place for young people in the transformations that are taking place. They will be our great hope: They will enter the European structures without complexes.

A moment ago, ladies and gentlemen, I took the oath before you, and also before the Polish nation. I will keep it through good and bad, tomorrow, the day after tomorrow, and every moment that I carry out my office. I believe in Poland; I believe in Polish society. I believe in a future that can be better. I believe in the Poles' taking advantage of our international possibilities. I would very much like, and I promise before you, to do everything so that every Pole can be proud that he is a Polish citizen, and I would like to do everything to make the Poles proud of their president. [applause]

I realize what an effort this is; I realize the responsibility, but I believe that, thinking this way about Poland — about a modern, well-organized Poland, a Poland that gives every citizen an opportunity — we can meet together and we can cooperate with each other.

Taking advantage of this special moment, as I am speaking just before Christmas, I wish all of you, all

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my fellow countrymen, success for yourselves and your dear ones, for all of us. I wish you a peaceful, good Christmas. Thank you, ladies and gentlemen. [applause]

'Unofficial Reports' on Cabinet Appointments

LD2312204295 Warsaw TVP Television First Program Network in Polish 1830 GMT 23 Dec 95

[From the "Wiadomosci" program; relayed by Warsaw TV Polonia Network]

[FBIS Translated Excerpt] The coalition has deferred until Thursday a decision on the appointment of new ministers in the so-called presidential ministries. From unofficial reports, it transpires that the minister of foreign affairs is to be Dariusz Rosati, Jerzy Konieczny is to be the head of the Ministry of Internal Affairs, and Jerzy Milewski is to be the head of the Ministry of National Defense [MON]. According to reports, also unofficial, the Polish Peasant Party [PSL] does not consent to the last of these.

[Unidentified correspondent] In the morning, coalition politicians, above all from the Democratic Left Alliance [SLD], were sure that after his swearing-in, the president will sign nominations for the heads of the Ministry of Internal Affairs, the Ministry of Foreign Affairs, and the Ministry of National Defense. The PSL was said, however, according to our information, to have protested against the candidacy of Jerzy Milewski for minister of national defense. The coalition rapidly met. After an hour-long meeting, its representatives refused to comment. [passage omitted]

[Begin recording] [Correspondent] Why is the PSL opposed to Mr. Milewski for the post in the Ministry of National Defense?

[PSL leader Waldemar Pawlak] I am very sorry, I wish to say to you once more, ladies and gentlemen, that there was no discussion about filling posts in these three ministries to such a point that there could be decisions or discussions about the appointment of anyone to these posts. The prime minister presented his proposals, we exchanged views, we will be meeting after the holidays. [end recording]

[Correspondent] Dariusz Rosati was two years ago the candidate for the post of minister of finance who was not accepted by Lech Walesa. Jerzy Milewski, who during the martial law period was the representative of Solidarity in Brussels and subsequently a close collaborator of Lech Walesa, was during the election campaign an adviser to Aleksander Kwasniewski. Jerzy Konieczny was head of the State Protection Office in the governments of Jan Krzysztof Bielecki and Hanna Suchocka.

Kwasniewski Takes Over Military Command

LD2312185795 Warsaw PAP in Polish 1742 GMT 23 Dec 95

[FBIS Translated Text] Warsaw, 23 Dec — In accordance with the Constitution, Aleksandr Kwasniewski, the newly sworn-in president of Poland, took over supreme command of the Armed Forces of the Polish Republic on Saturday. The president wishes to have effective and loyal cooperation with the army.

In the course of the ceremony at the First "Warszawa" Air Regiment in Minsk Mazowiecki, Kwasniewski gave assurances, when addressing the soldiers present, that he will support the process of reforms and modernization of the army and will seek to support the army financially, as he is aware of the economic troubles it is going through. Kwasniewski said that Poland is not currently threatened by anything, and that this period must be exploited for "writing in" Poland to the European security structures and to NATO. Kwasniewski also stated that the army still needs much done so as to assure stabilization.

The president was met on the tarmac at the air base by Andrzej Karkoszka, the acting head of the Defense Ministry, and General Tzdeusz Wilecki, chief of the General Staff. The ceremony took place on (closed) military property in accordance with military ceremony, against the background of four parked MiG-29 planes and shining air base searchlights.

The following took part in the ceremony: Prime Minister Jozef Oleksy, the leadership of the Ministry of National Defense [MON] and the General Staff, and also the closest collaborators of the president and journalists. In the course of the ceremony, the president kissed the colors of the Polish Army Guard of Honor Company. A parade took place. A meeting between Kwasniewski and the MON leadership and higher-ranking Polish army commanders took place in the so-called duty crewroom. Christmas wafers were exchanged. Next, Kwasniewski visited a nearby unit, where he will take part in a Christmas vigil meal together with soldiers.

Before the ceremony of taking over supreme command of the army, Prime Minister Jozef Oleksy did not want to tell journalists the names of the new heads of the so-called presidential ministries. He only said that the president had wanted to arrange this matter on Saturday, but on account of the tight program, "we will do this after the holiday."

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Daily 'Reconstructs' Charges Against Oleksy

WS2212134395 Warsaw ZYCIE WARSZAWY in Polish 22 Dec 95 p 3

[Report by Cezary Gmyz, Wojciech Saramonowicz and Piotr Wysocki: "Jozef Oleksy Was Under the Surveillance of the Secret Services and Opposition; Operation 'Olin'"]

[FBIS Translated Text] *On the basis of several sources, ZYCIE WARSZAWY has been able to reconstruct part of the charges brought by the Ministry of Internal Affairs [MSW] against Prime Minister Jozef Oleksy. We know, for example, that the intelligence services identified the officer who was to be the supervisor of an informer known as "Olin" — most probably Oleksy.*

Minister Andrzej Milczanowski confirmed that the Office of State Protection [UOP] collected material proving that Jozef Oleksy had been knowingly informing the KGB since at least 1983. The interior minister assured that the gathered material is sufficient to hand over the case to the prosecutor's office.

As ZYCIE WARSZAWY learned from unofficial sources, the UOP claims Jozef Oleksy began collaborating with the Soviet intelligence services when he was First Secretary of the Polish United Workers Party [PZPR] Voivodship Committee in Biala Podlaska. In exchange for cooperation, he was offered a constant supply of luxury items that were inaccessible on the market at the time. Oleksy is alleged to have demanded that the KGB assist him in reaching the top levels of the party and state hierarchy.

Information obtained by ZYCIE WARSZAWY, in circles closely affiliated with the Sejm Secret Services Commission, indicates that the Polish intelligence services obtained substantial proof of Oleksy's cooperation. Minister Milczanowski indirectly hinted at this himself when he said that the pseudonym under which Oleksy was registered in the archives of the Russian intelligence services was established. It was most probably "Olin."

The UOP also obtained a report submitted by a KGB officer to his headquarters informing that he recruited a communist apparatchik, despite the fact that a KGB instruction prohibited this sort of practice. Moscow decided to keep up the cooperation.

Sources in diplomatic circles told ZYCIE WARSZAWY that the UOP also obtained the complete dossier of the officer who had recruited Oleksy and was his so-called supervising officer. This was former First Secretary of the Russian Embassy in Warsaw Vladimir Auganov.

The diplomats we spoke to told us that Auganov lived somewhere in Wilanow [the district of Warsaw where Oleksy lives]. They also said that one of Oleksy's best friends — a sports activist popular in Warsaw — lived in the very same building.

One of the ZYCIE WARSZAWY informers suggested that Auganov's apartment was described by Vitaliy Svetlov, a former member of the CPSU Central Committee who was interrogated in Moscow at the request of the Polish prosecutor's office in October 1992. Svetlov took part in delivering the money the CPSU lent the PZPR. This and other confessions were included in the files kept by the Warsaw Voivodship Prosecutor's Office, which supervised the investigation into the "Moscow money" case. [Justice Minister] Jerzy Jaskiernia finally closed the case in May 1995, despite protests from the Appeal Prosecutor's Office in Warsaw.

"In November 1990, at the orders of the heads of the international division, I traveled to Poland in the company of V.G. Vershinin to collect part of the loan," Svetlov testified. "The money was handed over in the evening, in the apartment of a Soviet Embassy employee. We drove there by car. The apartment was somewhere in the vicinity of Wilanow. I do not know the exact address. I do not remember the name of the embassy employee."

In yesterday's Sejm address, Oleksy admitted there had been several Soviet and Russian diplomats whom he frequently met with.

ZYCIE WARSZAWY also learned that Auganov has a work permit and operates as a businessman in Warsaw. Information collected by the Polish counterintelligence services, submitted to the Sejm Secret Services Commission by the interior minister, says that Auganov was the best student in his class at the special KGB academy in Russia. In 1990, Auganov's name was officially crossed off the list of intelligence officers. The UOP, however, claims the move was a cover-up.

ZYCIE WARSZAWY sources maintain that Auganov, despite being a private citizen, continues to use a diplomatic passport. The document protects him against, among other things, arrest.

The contacts Oleksy maintained with Auganov at the time he was Sejm speaker disturbed the Polish counterintelligence services so much that UOP Chief Gromoslaw Czempinski warned Oleksy against meeting with the KGB officer.

Jozef Oleksy claims he immediately dropped those contacts.

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Politicians from the Democratic Left Alliance, quoted on Wednesday [20 December] by Radio "Zet," said that the only proof that the prime minister collaborated with foreign intelligence services is a conversation in which Oleksy is alleged to have said: "We must change the method of contacting each other."

One of our interlocutors who had seen the MSW materials said that this conversation was recorded after Oleksy had already been warned by Czempinski.

The prime minister's claim that he has dropped the contacts may be yet proven false by the information the UOP passed to the Military Prosecutor's Office. That information states that after Auganov was unmasked, another officer of the Russian secret services was appointed to continue the contact.

The ZYCIE WARSZAWY informers claim they do not remember the man's name. He is said to have been officially accredited to Poland as a news correspondent. In that capacity he met with Sejm Speaker Oleksy.

The materials handed over to the deputies reportedly indicate, however, that at the time these meetings took place, the aforesaid "reporter" no longer worked for the Russian media. Just like Auganov, he officially carried out business activities.

Minister Milczanowski said that it has been established what type of documents Oleksy passed on to the KGB. They allegedly include classified documents. These might be documents of the Sejm Defense Commission, reports prepared by the Supreme Chamber of Control on state defense and materials on the MSW. [passage omitted]

Intelligence Official on Material

WS2212143295 Warsaw GAZETA WYBORCZA in Polish 22 Dec 95 p 4

[Interview with Polish Office of State Protection Gromoslaw Chief Czempinski, by Agnieszka Kublik; place and date not given: "We Are Professionals"]

[FBIS Translated Text] [Kublik] Is there a possibility that the operational material gathered by the Office of State Protection on [Prime Minister] Oleksy will ever be publicly revealed?

[Czempinski] I do not think so. Operational data, particularly when they pertain to our sources of information, are under the strictest protection.

[Kublik] Did [Interior Minister] Milczanowski do the right thing by submitting the documents to the Military Prosecutor's Office?

[Czempinski] I cannot evaluate that decision.

[Kublik] Do you like the thought of having the Military Prosecutor's Office browse through your operational material?

[Czempinski] That is the procedure.

[Kublik] Will you have to reveal the names of the agents who disclosed Oleksy and his contacts?

[Czempinski] Not necessarily. The documents will suffice.

[Kublik] What if the prosecutor wants to interrogate those agents as witnesses?

[Czempinski] It is up to the prosecutor to decide which documents are acceptable, which are unacceptable, and which require completion. I want to stress that the UOP is a highly professional service which deals exclusively with collecting information.

[Kublik] Is it possible that the material incriminating Oleksy that was collected by the Polish intelligence services abroad were fabricated so as to humiliate the Polish authorities?

[Czempinski] I will not evaluate that material.

[Kublik] But you have seen it?

[Czempinski] Yes. The interior minister always reviews the material so as to avoid charges of its being used by the UOP for political reasons.

[Kublik] Is it true that the majority of the material you have in the Oleksy case was obtained from Moscow?

[Czempinski] I will not speak about that.

[Kublik] But you did consider the possibility that this might be a provocation of the Russian secret services?

[Czempinski] Of course. Any variant is possible. As you must certainly well realize, we had discussed the issue for many weeks.

[Kublik] Do you have any methods of checking whether this was a provocation of the Russian secret services?

[Czempinski] Yes.

[Kublik] Are these 100 percent sure methods?

[Czempinski] You can never get 100 percent.

[Kublik] So how many percent is it?

[Czempinski] It is always like a lottery.

[Kublik] 50/50?

[Czempinski] We think we are among the best.

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Commission on 'Activities of State Bodies' Created

LD2212144795 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 22 Dec 95

[FBIS Transcribed Text] The Sejm has set up a special commission to examine the legality of the activities of state bodies concerning the motion to initiate proceedings in the case of a threat to state security. No deputies voted against; 350 deputies voted to set up the commission and two deputies abstained.

Before the vote, Speaker Jozef Zych made a statement that the SLD [Democratic Left Alliance] has broken the agreement about the commission's composition. The speaker appealed for this not to recur, as it threatens the unity of the Sejm. Jozef Zych said that, in this situation, he personally will take part in the work of the special commission. The commission has already gathered for its first meeting. Stanislawa Stec reports from the debating chamber:

[Stec] Marek Borowski, one of the SLD leaders, confirmed that the agreement on the investigation commission had been broken, but he called it an occupational accident. In his opinion, the information from yesterday evening's meeting of the [Sejm] Council of Elders did not reach all SLD deputies, and apart from that, Kazimierz Pantak, the 13th member of the commission, was also voted for by members of the PSL [Polish Peasant Party] and even of the Freedom Union [UW], for he presented himself well from the rostrum.

UW leaders Leszek Balcerowicz and Bronislaw Geremek, during a news conference, demanded that Jerzy Jaskiernia stand down as prosecutor general, and still had doubts as to whether the commission would be impartial. As we have already said, the commission's first meeting is taking place behind closed doors, in the presence of Sejm Speaker Jozef Zych, who has decided to keep a personal watch on its work. The commission is said to be chaired by Lucyna Pietrzyk of the PSL, the head of the [Sejm's] Special Services Commission. This new commission has been given the undertaking to present a report to the Sejm by the end of January.

Walesa Asked To Pay $1.8 Million in Overdue Taxes

WS1912151595 Warsaw ZYCIE WARSZAWY in Polish 19 Dec 95 p 1

[Report by Piotr Wysocki: "The Tax Office. The President's $1 Million Taxed; Tax Authorities Demand Walesa Pay 45 Billion Zlotys"]

[FBIS Translated Excerpt] *The Gdansk Tax Office is demanding that Lech Walesa pay 45 billion old zlotys [Z] in overdue taxes together with interest on the $1 million the president received from Warner Bros. in 1989 for the rights to shoot a movie about him. The Americans claim taxes on the sum have been paid.*

As ZYCIE WARSZAWY discovered, the Second Tax Office in Gdansk asked the president to pay Z1,899,587,500 together with the interest that has accrued since 16 February 1990. The office claims this was the deadline by which the president was supposed to pay taxes on the $1 million he received from Warner Bros. The amount was the equivalent of Z3.8 billion at the National Bank of Poland exchange rate at the time.

The tax office calculated the interest to be 0.39-1.3 percent of the sum for each day of overdue payment, beginning with 16 February. A tax officer asking to remain anonymous informed ZYCIE WARSZAWY that currently the overdue taxes, together with interest, comes to some Z45 billion. At the current exchange rate, this is approximately $1.8 million — nearly twice as much as the amount Walesa received in the first place. [passage omitted]

"We know at the tax office that this is revenge for 'Polisa' and the 'Red Web' affair," our informer told us. "It does not matter much that the finance minister has stated in the Sejm that the president has no overdue taxes to pay."

As readers might remember, the issue of Walesa's taxes was brought up by Aleksander Kwasniewski's staff during the presidential campaign. The Americans assured at the time that all the taxes due had been paid by them. They quoted an agreement signed between the United States and Poland on eliminating double taxation. Walesa's staff, on the other hand, explained that the president was under no obligation to pay taxes because it was a donation, and not remuneration.

Justice Minister Jerzy Jaskiernia — Aleksander Kwasniewski's party colleague — has asked the general tax control inspector to investigate into the matter. He quoted signals he claimed he had received from Polish citizens — which ultimately proved to be faxes sent from the offices of Democratic Left Alliance deputies and Kwasniewski's election staff.

Treasury Audit To Pursue Case

LD1912215295 Warsaw Third Program Radio Network in Polish 2100 GMT 19 Dec 95

[FBIS Translated Text] President Lech Walesa will have to pay tax on $1 million, the amount he received six years ago from the Warner Brothers film company.

The Second Tax Office in Gdansk has ruled that this was taxable income. Presidential spokesman Marek

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Karpinski thinks that the tax office did not acquaint itself with all the documents in this matter.

Waldemar Manugiewicz, inspector general of the Treasury Audit, did not share this opinion.

[Begin Manugiewicz recording] The tax office has all the documents that Mr. Walesa was kind enough to submit to the employees of the Second Tax Office. As far as I know, as part of the explanatory proceedings instigated on 20 November, tax office employees talked to Mr. Walesa and he submitted certain documents. On the basis of these documents, we could not rule that the money in question was a donation. They confirmed just the contrary, that it was a taxable fee. [end recording]

Manugiewicz said that there was no possibility that the case could lapse. According to different sources, the president will have to pay 8-45 trillion zloty in old currency.

Bank Accounts Frozen

LD2112211095 Warsaw TVP Television Second Program Network in Polish 2000 GMT 21 Dec 95

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] In connection with the Second Tax Office's recovery proceedings in Gdansk, the Provinicial Court in Gdansk has received a request to distrain President Lech Walesa's property title deed and plot at 54 Polanki Street [in Gdansk].

Employees of the Second Tax Office in Gdansk state that they obtained documents proving that the money Warner Brothers gave was in the form of a fee, not a donation. Therefore, Lech Walesa owes the State Treasury about 10 billion-old zloty. This amount includes interest.

Because of this, as part of the recovery proceedings, Lech Walesa's property title deed was distrained today at the Land Registry Office at the Gdansk Provincial Court. In practice, this means that any sale of the house and the plot at 54 Polanki Street will be encumbered by the amount owed to the State Treasury.

In addition, as part of the recovery proceedings, President Walesa's bank accounts have been frozen in the amount of the taxes owed. Lech Walesa has been treated like any other taxpayer; neither severely, nor leniently, the management of the Gdansk Tax Office says.

At the moment, the tax office awaits a possible appeal from the person involved which should arrive no later than 14 days from the date of notifying the decision.

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Iliescu Views Bosnia, EU, NATO Aspirations

AU2412195495 Munich SUEDDEUTSCHE ZEITUNG in German 23-26 Dec 95 p 11

[Interview with Romanian President Ion Iliescu by Kathrin Lauer and Wolfgang Koydl; place and date not given: "The EU Must Not Sow the Seeds of Discord in East Europe"]

[FBIS Translated Text] [SUEDDEUTSCHE ZEITUNG] Mr. President, it is almost exactly six years to the day since communist dictator Nicolae Ceaucescu was overthrown. Did you fear at that time that the revolution might fail?

[Iliescu] There was a moment when I had this feeling, above all, when the first shooting started and nobody knew who fought on which side. As for the rest, there was general enthusiasm after Ceaucescu had left the Central Committee building. The people went out into the street to welcome this. However, at that time, some forces also tried to stop that or even to provoke a civil war.

[SUEDDEUTSCHE ZEITUNG] Six years after the revolution, there are still accusations that many of the old cadres in Romania have not been replaced.

[Iliescu] What old cadres?

[SUEDDEUTSCHE ZEITUNG] In the administration, in the ministries, in the security services...

[Iliescu] That is an invention. You will find nobody in the leadership who formerly played a leading role. Perhaps you find a person—Iliescu—who had not quite such a high position in those days: In the seventies, I was secretary of the Central Committee for six months. However, six years ago in December, the people regarded Iliescu as a symbol of the opposition to Ceaucescu. That was the reason why Iliescu was so massively supported, nobody raised his voice against Iliescu at that time.

[SUEDDEUTSCHE ZEITUNG] Romania is in a very dangerous geopolitical field of forces, not least because of the Bosnian war. This war now seems to have been terminated. Do you believe that the peace will hold?

[Iliescu] We have always supported all efforts for a political, peaceful solution. Right from the beginning, we have opposed any military intervention, the attempt to solve the problem by force. I hope that (the Dayton agreement—the editors) really is a step toward peace. All nations had become tired of this fratricidal war. These people lived together and fought together for centuries. They fought for their independence from the Ottoman yoke, for independence from the Austro-Hungarian yoke, and—what is most important—they organized the resistance to the fascists during World War II. They fought together, why should they now not be able to live in peace together?

[SUEDDEUTSCHE ZEITUNG] But now, after the war, the people are being neatly separated and distributed...

[Iliescu] Of course, after this war it is difficult to reestablish a climate of trust. However, experience shows that people come together even after such events. You in Germany have your experience with France. There traditional enmity developed into close cooperation and today France and Germany are the most important axis in Europe. I hope that the Yugoslav republics and nations will also find their way.

[SUEDDEUTSCHE ZEITUNG] Romania wants to become a member of the EU and NATO. In your opinion, what are the main obstacles to this step?

[Iliescu] There are two elements, political and economic ones. A difficult economic transition from a rigid planned economy to a private economy lies behind us. For two years, there have been positive tendencies. Meanwhile, 55 percent of our economic relations are connected with the EU...

[SUEDDEUTSCHE ZEITUNG] As far as we know, the EU prefers other East European states as candidates for membership...

[Iliescu] Not the EU. That is not the behavior of the EU, but the behavior of some political leaders. At the latest EU summit in Madrid, I warned against a discrimination of Central European states. We are at the beginning of an association process and we all have to prepare for being competitive to join the EU. We will have to work for five or 10 years to be able to implement all steps on this road and to adjust our legislation.

[SUEDDEUTSCHE ZEITUNG] Can you name some of these European political leaders?

[Iliescu] Some of them, yes, among them there is also FRG Chancellor Kohl. He also wants to talk first about the entry of the Visegrad states (Poland, the Czech Republic, Slovakia, Hungary—the editors), then about others, and so on. However, in Madrid, I said very openly that this is the wrong way because this would sow the seeds of discord and distrust among the states of this region. It would also not be according to the EU's wishes to create a climate of rivalry and noncooperation among the states of Central and South-Central Europe. My appearance was very well received. (Council Chairman—the editors) Felipe Gonzalez, (French President—the editors) Chirac, and

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even FRG Chancellor Kohl stated that they agree with me.

[SUEDDEUTSCHE ZEITUNG] However, there is also a political problem before entry into the EU. Romania has not yet signed basic agreements with its neighbors, Hungary and Ukraine...

[Iliescu] What is the problem? There are many states in the world who coexist without having concluded agreements. Our relations with Hungary are very good. The economic, cultural, and human relations with our neighbors are excellent, the borders are open; in the military sphere we initiated the policy of open skies. However, there was a problem in the question of minorities. The treatment of minorities is an internal affair of every state. This is a problem that every European state has, no country in Europe is ethnically homogeneous. You in Germany have your minorities and France has its minorities. It is not Germany's business to tell the French how to deal with their German minority. We have—regarding minorities—a very liberal legislation, perhaps the most liberal one in Europe. The minorities are represented in the Romanian Parliament, in the local administrations, they have their schools in their mother tongues, they have their newspapers, their radio stations, and their television programs. However, there are also some extremist elements that propagate the idea of an ethnic territorial autonomy. That is not realistic, that is not democratic.

[SUEDDEUTSCHE ZEITUNG] That means that there will be no basic agreement with Hungary if it contains a reference to the Hungarian minority in Romania or to the relevant Recommendation 1201 of the Council of Europe?

[Iliescu] This recommendation is not correct and it was not accepted by many countries.

[SUEDDEUTSCHE ZEITUNG] However, the Slovaks swallowed it in their treaty with the Hungarians...

[Iliescu] ...but they will not agree to it in parliament. Would you in Germany submit to such a recommendation? Hardly.

[SUEDDEUTSCHE ZEITUNG] We have talked about Romania's wish to become an EU member, but Bucharest also wants to become a NATO member. Why do you think NATO should be interested in Romania as a member?

[Iliescu] It is in NATO's interest if it wants to guarantee security and stability in Europe because our region is an area of continuous problems—historical and topical ones. NATO's role has radically changed since the end of the confrontation of the blocs; it is no longer facing a formal opponent. Therefore, NATO is also right to regard Russia today not as a possible opponent, but as a possible partner.

Vacaroiu Accepts Trade Minister's Resignation

AU2312163195 Bucharest Radio Romania Network in Romanian 2000 GMT 22 Dec 95

[FBIS Translated Text] Our correspondent accredited to government reports that Trade Minister Petru Crisan has handed in his resignation to Prime Minister Nicolae Vacaroiu, who accepted it. Mr. Crisan is to effectively be released from his post early next year, when a new trade minister will be appointed.

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Drnovsek Seeks Meeting With Italy's Dini

BR2112151895 Rome LA REPUBBLICA in Italian 21 Dec 95 p 17

[Report by Mario Tedeschini Lalli on interview with Slovenian Prime Minister Janez Drnovsek, granted also to unnamed IL PICCOLO DI TRIESTE reporter, in Ljubljana; date not given: "Slovenia Calls Dini: Ready To Reach Agreement"]

[FBIS Translated Text] Ljubljana—Slovenian leaders have recently seemed pleased: They are sure that the time has come for a possible solution to the old dispute with Italy, or at least that a possible further failure could be clearly blamed on the Rome government, which would thus definitely lose face with its European partners. In other words, that there is an opportunity to be seized by proposing a meeting as soon as possible (January or February) between Lamberto Dini and Prime Minister Janez Drnovsek.

Drnovsek launched the proposal in a conversation with correspondents for LA REPUBBLICA and IL PICCOLO, and announced at the same time Ljubljana's acceptance of the compromise put forward by the Spanish EU presidency. The issues at stake are still the assets left behind by exiles from Istria (which Italy is demanding be partly returned); the opening up of Slovenia's real estate market (which is currently closed to foreigners); and Slovenia's wish for the signing of its treaty of association with the EU (which Italy has in practice succeeded in blocking, precisely by displaying Slovenian legislation's lack of "Europeanism.")

The Spanish EU presidency proposed proceeding with the signing of the accord, with a simultaneous pledge from Slovenia to adapt its legislation during the period between the signing and the ratification of the treaty by the parliaments of the 15 EU countries and Ljubljana. The proposal was taken up in a brief statement issued by the European summit in Madrid—therefore with Italy's consent.

"If this is true," Drnovsek said, "we could sign the association agreement as early as tomorrow because the Madrid statement is acceptable to Slovenia too. If Italy accepts all this without further demands, then Slovenia is in agreement. Italy will have to show whether it wants to support European principles or to pursue other ends."

The prime minister explained: Since the European Union is now talking about enlargement and Slovenia hopes to become a fully-fledged member, even the demand for its real estate market to be totally opened up within the space of a couple of years could easily be sold to the Slovenian parliament and people. His reasoning is this: Within Europe Italy has always raised the general issue (the adaptation of the legislation), without mentioning the bilateral dispute (the exiles' homes.) Now that it is taking over the EU duty presidency, it will have to show that it is in good faith by ceasing to "link bilateral to multilateral issues."

"I hope that it will be possible now to find a solution," Drnovsek said. "I think that this should happen at the beginning of the Italian EU presidential term, in the first or second month."

[LA REPUBBLICA] Does that mean that you are hoping for a personal meeting with Lamberto Dini?

[Drnovsek] Perhaps a meeting would aid a solution of the problem. Recently it has been discussed by bureaucrats, and they often find additional problems that they then cannot, or dare not, resolve. We would not like it to come to emerge that Italy is exploiting its position within the EU to resolve bilateral issues to its own advantage. [Drnovsek ends]

The status of the issue of the "abandoned assets" is less clear. Slovenia insists that it is already covered by a treaty that envisages cash compensation, but in recent months it has seemed willing ("at the humanitarian level") to return some 100 or more homes. Now Drnovsek gave to understand that everything has ground to a halt because Italy wanted to eat its cake and have it—that is, the utmost both at the multilateral level (the opening up of the market to the EU) and at the bilateral level (exiles' homes): "Why," he asked, "are these homes so important as to cause Italy to block Slovenia's accession to Europe?"

[LA REPUBBLICA] So how many are you prepared to hand over?

[Drnovsek] I do not want to mention any figures. We are talking about assets that are still publicly owned, but their number is becoming increasingly small as the privatization process advances. If matters drag on much longer, there will be none left and the subject of the dispute will no longer exist either...

[LA REPUBBLICA] Do you realize, Prime Minister, that this is precisely what the Italian exiles' organizations said they feared?

Drnovsek looked at his interviewers, smiling, without comment. He obviously does know it, just as he knows that he must exploit the present government situation in Italy as long as it lasts. He gently criticized [Italian Foreign Minister] Agnelli's remarks to LA REPUBBLICA ("I am surprised by the tone in which some ministers discuss their colleagues in public interviews") and argued that, basically, "the present government has

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changed nothing from the previous government." Nevertheless he addressed Dini, urging that they meet within the next few weeks, in the knowledge that later "the situation would become further complicated by domestic political issues both in Italy and in Slovenia."

Drnovsek Discusses Budget, Relations With Croatia

AU1612140695 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 15 Dec 95

[Report by Igor Juric and Sandi Frilih on news conference given by Slovene Prime Minister Janez Drnovsek upon return from Paris; in Ljubljana on 15 December—recorded; individual correspondents cannot be identified]

[FBIS Translated Text] [Correspondent] All statesmen present in Paris praised Slovenia for being the first one successfully to pull away from the Yugoslav conflict. They will continue to support us in entering the EU also at the Madrid meeting.

[Drnovsek] We know that Spain, as the chairing country, prepared a rather positive declaration regarding Slovenia, and that a number of statesmen will support it. What is now left is the question of whether Italy will once again use the same possibility that it has.

[Correspondent] As regards the dispute with Croatia regarding sovereignty over the Piran Bay, Prime Minister Drnovsek said the following:

[Drnovsek] The Slovene stand on Piran Bay is clear. Slovenia has sovereignty over Piran Bay. After independence was achieved, in their constitutional laws, the two countries adopted the stand that the borders to be valid will be the ones valid at the moment of gaining independence.

[Correspondent] The prime minister also answered questions on the coalition continuing the debate on coordinating next year's budget, as the Christian Democrats did not attend yesterday's meeting of negotiators among the government parties. In Drnovsek's opinion, such conduct only means tactics of setting starting points for coordination. He pointed out that the latest meeting of the heads of government parties agreed to reduce the budget and [words indistinct], as well as to free the economy of financial burden. If there is no support from deputies of government parties in the parliament, the budget will be adopted without the coalition.

Drnovsek announced a meeting with ministers, Liberal Democracy members, to be held in the afternoon. Later he will meet ministers from the other two parties so that the government will submit the coordinated budget to the parliament at the beginning of next week.

Christian Democrats Demand Early Elections

AU2212202795 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 22 Nov 95

[FBIS Translated Excerpt] Lojze Peterle, president of the Slovene Christian Democrats, today reiterated that the party still insisted on the demand for early elections since the arguments in favor of elections were still valid.

At a news conference, which was also attended by some of the ministers from this party, Peterle said that great procedural difficulties accompanied the 1996 budget and that the demand for the elections was not linked to the budget negotiations. According to Peterle, the government did not coordinate its work with the parliament sufficiently and did not issue it with clear proposals and alternatives, especially as regards the European question and the relations with Italy. He proposed to hold an extraordinary session of the State Chamber. [passage omitted]

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Federal

Lilic Praises Results of Talks in PRC

LD2512154995 Belgrade TANJUG in English 1526 GMT 25 Dec 95

[FBIS Transcribed Text] Belgrade, Dec. 25 (TANJUG)—Yugoslav President Zoran Lilic said Monday that ranking Chinese officials had fully backed Yugoslavia's unconditional return to international institutions.

Addressing reporters on arriving in Belgrade, Lilic said Yugoslavia and China had had traditionally friendly relations for years and held similar or identical views on many international issues. He said this was also confirmed during a Yugoslav delegation's visit to China.

Lilic said all officials he had met with, in particular Chinese President Jiang Zemin, had fully backed Yugoslavia's policy towards Bosnia-Herzegovina adopted at the outbreak of the conflict in the former Yugoslavia.

Lilic stressed the importance of the Yugoslav delegation's visit to China, first such following the November 22 suspension of the sanctions against Belgrade.

He also pointed out advantages of Chinese economic reforms which he said had preserved the social dimension and the workers' standard.

'We should also strive to achieve such a society, regardless of the two countries' specific features,' he said.

Lilic described as extremely important talks that had dealt with economic issues, saying an inter-state committee for economic cooperation had held its first session during the Yugoslav delegation's visit to China.

He said the two countries' businessmen had had successful meetings at which preliminary agreements and contracts on joint investments had been signed.

Lilic said, 'conditions have been created for and the door opened to comprehensive cooperation between China and Yugoslavia,' saying the two countries were well on the way of strengthening still further their friendly relations.

He also said China's Prime Minister Li Peng had accepted an invitation to visit Yugoslavia early next year.

Parliament Approves 1996 Budget

LD2112145195 Belgrade TANJUG in English 1152 GMT 21 Dec 95

[FBIS Transcribed Text] Belgrade, Dec 21 (TANJUG)—The Yugoslav Parliament on Wednesday evening approved the federal budget for 1996 amounting to 5.89 billion dinars (about 1.2 billion dollars; one dollar = 4.72 dinars).

Seventy-three point seven percent of the budget, i.e. 2.215 billion dinars, will cover the country's defense needs. [figures as received]

Federal Defense Minister Pavle Bulatovic told parliament that, compared to other countries, this figure is very low and amounts to 58 dollars per capita and 5,000 dollars per soldier.

Bulativic said that the military budget for 1996 is about 880 million dollars.

He added that this amount is only seven percent of the social product, while the real defense needs are much higher and amount to 5.4 billion dinars.

Bulatovic said that 77.5 percent will be sufficient to cover the real needs. He said that this is the defense sector's direct contribution to the economic stabilization of the country.

Federal Vice Prime Minister Jovan Zebic said that the other outstanding budgetary expenses will cover the pension and disability funds amounting to 443 million dinars, which makes up 81 percent of the budget together with the defense costs.

Zebic said that 268 million dinars would be earmarked for the incomes in the federal administration, 229 million dinars for funding certain federal bodies, 122 million for the refugees and 72 million dinars for interventions in the economy.

Zebic said that the budget would be financed out of real sources and would cover 9.5 percent of the social product.

The 1996 social product will amount to 218 billion dinars.

Prime Minister Urges 'More Financial Discipline'

LD2312175995 Belgrade TANJUG in English 1738 GMT 23 Dec 95

[FBIS Transcribed Text] Novi Sad, Dec. 23 (TANJUG)—Yugoslav Prime Minister Radoje Kontic said on Saturday that the country needed more financial discipline in 1996 and energetic measures for reviving production.

Speaking about the planned macroeconomic policy to a group of leading businessmen in Novi Sad in the Serbian Province of Vojvodina, Kontic said that economic activity with debts, deficits, and heavily indebted banks was no longer possible.

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This practice would only bring us back to inflation, he said and added that a decisive step towards building a market economy should imply the closing down of inefficient companies.

Kontic emphasised that stable prices and exchange rates for the dinar, increase in both production and exports, restructuring, ownership transformation, higher living standards and better social security were the key economic targets for 1996.

Commenting on the second stage of the economic revival programme endorsed by the Yugoslav Government last month, Kontic said that the first results were encouraging.

The country's foreign currency reserves are growing, a revival of production is under way and business contacts with the rest of the world are being renewed, he said.

Statistical Bureau Chief Assesses 1995 Economy

LD2212180995 Belgrade TANJUG in English 1714 GMT 22 Dec 95

[FBIS Transcribed Text] Belgrade, Dec 22 (TANJUG)—In 1995, Yugoslavia's GDP rose by 6.6 percent despite sanctions, financial difficulties and the war in its neighbourhood.

Announcing the first official estimate of this year's economic performance in a statement to TANJUG on Friday, Federal Statistics Bureau Director Milovan Zivkovic said that the GDP would stand at around 37.9 billion dinars (11.48 billion German marks).

Generally speaking, the figures for 1995 are better than for 1994, Zivkovic said, but if we speak of prices, then the expectations were not met because inflation will probably be around 119 percent.

He explained that retail prices rose by an average of 6.7 percent a month and that, after a slowdown in November, they are expected to rise by up to 8 percent, because of various price levellings and end of the year price hikes.

According to the first estimates, the cost of living will be 115 percent up on 1994, primarily because the costs of utility services increased by as much as 197 percent, and the costs of clothing and footwear by 162 percent, said Zivkovic.

Food prices went up only 79 percent due to a very low rise in prices of green market produce.

Asked to give the statistics for the standard of living in 1995, he said that in the last quarter of the year, Yugoslavs were worse off than in the same period last year, and that measured in terms of real income, living standards had dropped by 25 percent.

The average income totalled 450 dinars, he said. Despite a nominal increase of 107 percent on 1994, real income has been reduced by inflation.

In the state-owned sector, unemployment rose by three percent, but it dropped by six percent in the private sector, said Zivkovic.

Experts of the Belgrade-based Economics Institute and the Institute for Economic Studies said that 1995 production would be 3.5 percent higher than in 1994.

Zivkovic forecast growth at nearly 4 percent.

He said that when the international community imposed sanctions against Yugoslavia in 1992, per capita income was 3,050 dollars. It has now dropped to below 1,500 dollars, he said and added that the country would need between five and seven years to return to where it was in 1992.

Commenting on the economic policy for 1996, Zivkovic said he was optimistic and that the results would certainly be better because companies would be able to employ their capacities to a greater extent now that the sanctions have been lifted.

During the sanctions, most of Yugoslav companies operated at between 35 and 45 percent of their rated capacity.

We are certainly heading for a better future, and I expect a major turnaround towards a revival of production and a higher GDP in 1996, which will in turn enable a significant rise in nominal and a better standard of living, he said.

Liberalization of Visa Policy Announced

LD2512173495 Belgrade TANJUG in English 1725 GMT 25 Dec 95

[FBIS Transcribed Text] Belgrade, Dec. 25 (TANJUG)—Yugoslav Prime Minister Radoje Kontic on Monday announced a liberalization of the visa policy next year to help restore tourist links between Yugoslavia and other European countries.

Kontic and a group of tourist officials agreed at a meeting that this economic branch benefits from the current government policy of creating an open market and securing a convertible national currency.

Representatives of different tourist organizations said that, as a result of such policy, Yugoslavia could earn 500 million dollars annually in the next five years and as much as one billion dollars in the next ten-year period.

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Serbia

Premier Announces Economic Liberalization

LD2512173395 Belgrade TANJUG in English 1716 GMT 25 Dec 95

[FBIS Transcribed Text] Belgrade, Dec. 25 (TANJUG)—Serbian Premier Mirko Marjanovic said on Monday liberalisation and reasonable protectionism would be the chief goals of his government's economic policy in 1996.

Addressing the session of the Serbian parliament which discussed next year's budget, Marjanovic said that Serbia's GDP had increased in 1995 despite the very unfavourable circumstances.

The GDP rose over six percent despite international sanctions, financial difficulties and the war in Serbia's immediate neighbourhood.

Marjanovic said it was realistic to expect at least a two-fold increase in exports next year, and promised full support to export-oriented sectors of the economy.

He also said that investment guarantees and strict observance of contractual obligations would help activate idle capital in Serbia, and attract credits and shareholding capital from abroad.

Serbia is firmly oriented towards creating an open economy and exporting more than 50 percent of its GDP, said Marjanovic in conclusion.

Assembly Increases Budget for Kosovo in 1996

LD2612001195 Belgrade TANJUG Domestic Service in Serbo-Croatian 2037 GMT 25 Dec 95

[FBIS Translated Excerpt] Belgrade, 25 Dec (TANJUG)—Deputies to the Serbian Assembly this evening adopted a budget for the Autonomous Province of Kosovo and Metohija for 1996 to the tune of 11.7 million dinars.

The budget provides funds to finance assigned duties to be carried out by the Autonomous Province of Kosovo and Metohija within the rights and obligations of the republic and to finance the operation of administration bodies, organizations and public services in the province.

The funds for 1996 have been increased by 101.7 percent compared with the current budget. [passage omitted]

Opposition Parties Boycott Parliamentary Session

LD2512145695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1414 GMT 25 Dec 95

[FBIS Translated Text] Belgrade, 25 Dec (TANJUG)—Representatives of four opposition parties in the Serbian assembly—the Serbian Radical Party [SRS], the Serbian Renewal Movement [SPO], the Democratic Party [DS], and the Democratic Party of Serbia [DSS]—have protested against the agenda of today's parliamentary session because it includes several draft laws "under urgent procedure," as proposed by the Serbian Government.

At a news conference in the assembly building they announced that "there are no valid reasons and explanations" for the legislation to be discussed under urgent procedure.

According to them, the proposer [the Serbian Government] should have stated the reasons for this decision and explained its request for "urgent procedure," as well as said what will happen if that proposal is not accepted.

The representatives of the opposition parties which are not attending the session because live television coverage has been switched off, announced that they will hold a joint session tomorrow.

They said that they will adopt "a declaration on the fundamental issues of parliamentary life and democracy in Serbia," and will discuss "other fundamental laws, as well as the issue of information and media."

Four Parties Form Coalition Bloc

LD2512135695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1227 GMT 25 Dec 95

[FBIS Translated Excerpt] Belgrade, 25 Dec (TANJUG)—Two Serbian parliamentary parties—the Democratic Party [DS] and the Democratic Party of Serbia [DSS]—and two nonparliamentary parties—the Serbian Liberal Party [SLS] and the People's Assembly Party [SNS; Saborna narodna stranka]—formed a party bloc called the Democratic Alliance [DA] in Belgrade today.

A resolution, signed at the international press center by the party chairmen, Zoran Djindjic (DS), Vojislav Kostunica (DSS), Nikola Milosevic (SLS), and Slobodan Rakitic (SNS), stresses that the DA is an alliance of opposition parties in which every party will retain its political identity, and within which they will coordinate and unite efforts aimed at achieving joint political aims. [passage omitted]

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Commentary Calls for Political Personnel Changes

AU2212104295 Belgrade POLITIKA in Serbo-Croatian 16 Dec 95 p 12

[Commentary by Radivoje Petrovic: "Messages and Lessons From the 'Town of Light'"]

[FBIS Translated Text] The European promotion of the Dayton agreement, crowned with the signing of the Peace Treaty for Bosnia-Herzegovina in Paris and the mutual recognition of the FRY and the former Yugoslav Republic of Bosnia-Herzegovina, has formally confirmed that the end of the war has arrived, both on the ground and in the minds of the people, and it marks the beginning of a new way of thinking in the search for solutions to existing controversial issues.

After the ceremony in the "town of light," there will be useless arguments of the type "What would things be like if such and such had happened...," but there is no doubt that a favorable political climate has been created in which every benevolent thinker should be trying to find answers to the following basic questions: What has been achieved after all that has happened in Bosnia and how to put the peace that lies ahead of us to the best use?

According to what appears in the document and was expressed in the first interpretations by leading international statesmen, several facts are becoming important for the Serb side. First of all, the Bosnian Serbs have some satisfaction, since the Serb Republic has begun to exist as some kind of international entity, with precisely defined limits and possibilities for economic, cultural, and every other form of cooperation with the FRY.

Second, the inhabitants of the Serb districts of Sarajevo have many authoritative political guarantees that they will have normal lives, whether they decide to stay in Sarajevo or to leave their homes, if the distrust proves to be insurmountable. This was especially stressed in the speech by President Izetbegovic, as well as in the special speech with which President Milosevic addressed the Serb population of Sarajevo on television the day before yesterday [14 December]. The same also appeared in the interpretations of Carl Bildt, the supreme administrator of the international community for Bosnia.

Third, the Paris event confirmed the recently established continuity of the peaceful policy pursued by the FRY and Slobodan Milosevic, the head of the Yugoslav delegation. The statement by Bill Clinton, in which he especially stressed the "key role of the Serbian president, who has made the peace agreement possible," is the best confirmation of the extent to which the FRY's political and diplomatic image has changed among the most influential circles in the world. The news arriving these days of support for Yugoslavia only contributes further to our awareness of what we must do to return to the world as soon as possible.

The domestic political audiences that are not satisfied with these arguments should be told what all of us would be facing, if we had supported war and the retention of territories at any price. In that case, there would have been no lifting of the sanctions and it is almost certain that the war would have spread to FRY territory, with incalculable consequences not only for the states of the former Socialist Federative Republic of Yugoslavia, but also for Europe as a whole.

Had Belgrade's peaceful orientation not been so convincing, there is a major question as to how others would have behaved, the Republic of Croatia above all. President Tudjman's Paris speech, in which he failed to give up the vocabulary and the logic of war, shows what must be counted on when "the obvious option for the protection of a nation" is supported. Continuation of the war would have brought new victims and refugees and the destiny of the nations in this region would have been completely uncertain. Instead of waging war against the whole world and living in chains of politics, it seems to be more acceptable that the world is guaranteeing and helping solve the key national rights of the Serbs, both in Bosnia-Herzegovina, where they are already regulated by the agreement, and in the Srem and Baranja region, where the topic is still being discussed.

The most difficult part of the task for all three warring factions in Bosnia will be how to change their way of thinking, in other words, how civilized negotiations should replace the present understanding of problems. This change was given a new incentive in Dayton and Paris, but the process will last for a long time and there will be difficult moments, since the population has been enraged by war.

This makes it even more important that, in the search for an answer to how to use the peace, all kinds of discussions should be eliminated on who is to blame for starting and waging the war. Instead of this unproductive quest, it is much more useful to use all the social energy for reconstruction, development, and prosperity. It is the historians and professional analysts who should work on our tragic past and all those who are engaged in politics should be given the task of convincing us that in future we can live better in this region.

Wise nations and well organized states from the territory of the former SFRY will use the peace to become reintegrated into the international community as efficiently as possible, leaving behind all the ugly things that happened. Those who exhaust themselves by explaining the

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past can count on a more uncertain future. These instructions are very important because of the characteristics of political life in Serbia, even more so since current events also show that we have difficulties in giving up old habits.

From a situation in which we were blaming others for our problems, we have now entered a stage in which we are well organized and can solve these problems by convincing others to help us. Since the majority of things depend on us alone, the key political move will be how to galvanize all capable and clever people into starting to put the peace to good use. The majority of such people have withdrawn from political and social life over recent years, leaving a small number of people, who are as a rule incapable, participating in public life.

Now is the right time to carry out basic personnel changes, both in the ruling power and the opposition. Without new people, whose main quality will be their abilities—in other words, they will not be merely new—we shall not be able to put the peace to good use and we will miss yet another chance.

Strategic Studies Institute Set Up in Belgrade

LD2212171795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1321 GMT 22 Dec 95

[FBIS Translated Text] Belgrade, 22 Dec (TANJUG)—The Braca Karic corporation has founded the Strategic Studies and Development Institute which will operate within Braca Karic University [private Belgrade-based university], it was announced at a news conference today in the International TANJUG Press center.

Professor Andrej Frimerman, chancellor of Braca Karic University, said the institute is a nongovernmental, research and development institution which fits in with the development strategy of the corporation—"facing the world and the future."

Dejan Pavlov Kreculj, director general of the institute and a member of the Academy of Science, said the main function of the institute is "research into strategic tendencies, the forecasting and study of change in the world, and analysis of the best ways to adapt to these changes."

He added that the institute is a "nonprofit organization" which will work for experts in the country, but also for renowned scientific institutions in the United Nations, European Union, OECD, and other international organizations.

Bozovic's Privatization Model Critiqued

AU2212104695 Belgrade NASA BORBA in Serbo-Croatian 13 Dec 95 p 8

[Article by Jasna Kesic: "The Worst Solutions Selected"]

[FBIS Translated Text] Mr. Radoman Bozovic, chairman of the Council of Citizens at the Federal Parliament, presented his study entitled "The Necessity of Proprietary Changes" in the public last week. Since the study was probably ordered by the SPS [Socialist Party of Serbia] and since Slobodan Milosevic knows about it, this privatization model deserves more attention than those proposed by Nova Demokratija, the Democratic Party, or the Serbian Renewal Movement. Bozovic's model would easily become our sad destiny.

Warning that it would be dangerous to "copy the Czech, Russian, Polish, or Bulgarian model for changes," the chairman of the Council of Citizens mostly relies on the Montenegrin privatization model—or to be more exact to its worst aspects: The state-owned economy, and very bad possibilities of its implementation. The socially owned capital should be transferred to state funds that will probably control the economy for many years, since it will be difficult to find buyers for our inefficient and technologically old-fashioned companies, even if the funds are ready to sell them.

The Montenegrin Assembly adopted the law on privatization three years ago, but only a few small companies have been privatized so far. By the end of the year, the proprietors of the socially owned capital should be nominated in all socially owned companies, which has already been done in most of the companies. This means that the value of the socially owned capital was assessed in German marks [DM] in order to avoid possible revaluations later on. It also means that this capital was transformed into shares, and they were distributed among the employees and the funds.

In this respect, Mr. Bozovic proposes more or less the same thing: A law on proprietary changes should be adopted immediately, the revision and revaluation should be completed, the socially owned capital assessed, and proprietors identified and nominated. This is where "the common path" stops and differences begin. According to the Montenegrin model, the employees get 10 percent of the shares of the company they are employed with free of charge, the maximum amount being ECU3,000 (about DM5,000), and they can buy 30 percent with a 10-percent discount for every year they have been employed by the company, but this part cannot amount to more than ECU10,000 (about DM19,000). The payment begins after a period of two years and lasts

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for 10 years. The remaining 60 percent of the socially owned capital is transferred to the funds: 60 percent to the Fund for Development, 30 percent to the Pensions Fund, and 10 percent to the Employment Fund.

Mr. Bozovic thinks that the "distribution of property to the employees and (or) citizens as the basic principle of privatization does not bring positive changes, since there is no additional capital, no change in the control mechanism, no justice, and similar," so that he proposes that the complete socially owned capital be distributed among the four state funds. The Fund for Development and the Fund for Pensions would get 30 percent of the socially owed capital each, and the Employment Fund and Health Care Fund would get 20 percent each. In this way the socially-owned capital is "not being offered at a sale, it is not looted; it will serve the development and enable the citizens to achieve their social rights." In the transition process, the funds would—according to Bozovic—together with banks (and public and state-owned companies together with the state) participate in the restructuring of the finances, production, organization, personnel, and control the work of the management. Although the author claims that "this does not mean transformation into state ownership," this absolutely is state ownership. How else could we call the process in which state funds dictate absolutely everything—whether and what kind of changes will be made in a company, who and how will he make them, they sell a company's shares who they want to and if they want to....

If Bozovic's model is accepted, the "privatized" Serbian economy will look like this—all socially owned companies will be controlled by four state funds. So, if Nikola Sainovic is, for example, head of the Fund for Development; Dusan Vlatkovic head of the Fund for Pensions; Dusko Matkovic head of the Fund for Employment; and Bratislava Morina of the Health Care Fund, these people will control the whole of the Serbian economy. All the capital would be put into the hands of several people, and the entire economy would be put under the direct control of the state and the ruling party. The influence of the state, which is very strong even now, would in this way be perfected. Incompetent institutions would control the inefficient economy, and nothing good could be expected in that case; the ruling power would, however, retain its political monopoly through seeming privatization. The aim of the model is to pay back the state's debts (in hard currency and dinars) and to buy social peace; its aim is not a privatized, efficient economy. Mr. Bozovic has obviously understood the socially owned capital as a new mechanism that the ruling party could use in order to retain the political power. His model "of the necessary change of ownership" does not mean privatization but state ownership.

This conclusion is supported by the proposal made the author of the study that the "change of ownership would last for an undefined period of time." As the conditions without which there is no beginning, Mr. Bozovic mentions "political stability, legal safety, macroeconomic stability, the uniqueness of laws that regulate economy (he enumerates 12 laws that should be adopted or adapted), the consensus of social groups, good organization of the state, public control" etc.. All these conditions will not be met for a long time to come, and quite certainly not as long as the SPS is the ruling power. This means that the socially owned capital should be assessed and transferred to the state funds immediately, where it would remain for ever, and the SPS would govern the economy (and Serbia) forever.

The sale [of shares] has at least been solved in a different way in Montenegro. The funds must bring to the market and sell at least 20 percent of the socially owned capital they have every year. Whether and when all this will function remains to be seen, but there is at least the legal obligation.

In the end, it could be said that the Montenegrin model might—slowly and indirectly—lead to privatization though the primary transformation into state ownership, but Bozovic's model leads only to complete state ownership in the economy.

Montenegro

Premier Urges Financial Self-Sufficiency

LD2212175995 Belgrade TANJUG Domestic Service in Serbo-Croatian 1450 GMT 22 Dec 95

[FBIS Translated Excerpt] Podgorica, 22 Dec (TANJUG)—Montenegrin Prime Minister Milo Djukanovic told the republican assembly today that Montenegro can be an equal and dignified partner only if it becomes financially self-sufficient.

Responding to the opposition, which has been sceptical about the government program on self-sufficiency being implemented last year and this year, Djukanovic said the current government wants to make vital industrial and other republican systems fully independent. For 50 years, these, according to him, were dependent in the former Yugoslav Federation.

This was the prime minister's reply to one section of the opposition which accepts financial self-sufficiency but believes it will be short-lived. [passage omitted]

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